

construction project for which any such loan, advance, grant, or contribution is made, and the amount of any private or other non-Federal funds used or grants-in-aid made for or in connection with any such project. No mortgage covering new or rehabilitated multifamily housing (as defined in section 1715r of Title 12) shall be insured unless the mortgagor certifies that he will keep such records as are prescribed by the Federal Housing Commissioner at the time of the certification and that they will be kept in such form as to permit a speedy and effective audit. The Housing and Home Finance Agency or any official or constituent agency thereof and the Comptroller General of the United States shall have access to and the right to examine and audit such records. This section shall become effective on the first day after the first full calendar month following the date of approval of the Housing Act of 1961. (Aug. 2, 1954, ch. 649, title VIII, § 814, 68 Stat. 647; June 30, 1961, Pub. L. 87-70, title IX, § 908, 75 Stat. 191.)

REFERENCES IN TEXT

The Housing Act of 1949, as amended, referred to in the text, is classified to chapter 8A of this title.

The first day after the first full calendar month following the date of approval of the Housing Act of 1961, referred to in the text, probably means August 1, 1961, which is the first day after the first full calendar month following approval of Pub. L. 87-70, which was approved on June 30, 1961.

CODIFICATION

Section was enacted as a part of the Housing Act of 1954, and not as part of the United States Housing Act of 1937, which comprises this chapter. It consists of the first and third sentences of section 814 of said Housing Act of 1954 (act Aug. 2, 1954). In so far as the same sentences related to the Housing Act of 1949, they are set out as section 1446 of this title. The second sentence of section 814, along with the third sentence, is set out as section 1715s of Title 12, Banks and Banking, and the fourth (last) sentence thereof is set out as a note under this section, section 1446 of this title, and section 1715s of Title 12.

AMENDMENTS

1961—Pub. L. 87-70 required record keeping provisions in contracts under the Housing Act of 1949 and in contracts under any other act, prohibited insurance of mortgages covering new or rehabilitated multifamily housing unless the mortgagor certifies that he will keep records, and empowered the Comptroller General to examine and audit records.

EFFECTIVE DATE

The fourth sentence of section 814 of act Aug. 2, 1954, provided that this section should become effective on the first day after the first calendar month following the date of approval of the act (Aug. 2, 1954.)

§ 1435. Access to books, documents, etc., for purpose of audit.

Every contract for loans or annual contributions under this chapter shall provide that the Public Housing Commissioner and the Comptroller General of the United States, or any of their duly authorized representatives, shall, for the purpose of audit and examination, have access to any books, documents, papers, and records of the public housing agency entering into such contract that are pertinent to its operations with respect to financial assistance under this chapter. (Aug. 2, 1954, ch. 649, title VIII, § 816, 68 Stat. 647.)

CODIFICATION

Section was enacted as a part of the Housing Act of 1954, and not as a part of the United States Housing Act of 1937, which comprises this chapter.

§ 1436. Demonstration programs; grants for development.

The Housing and Home Finance Administrator is authorized to enter into contracts to make grants, not exceeding \$10,000,000, to public or private bodies or agencies, subject to such terms and conditions as he shall prescribe, for the purposes of developing and demonstrating new or improved means of providing housing for low income persons and families and of demonstrating the types of housing and the means of providing housing that will assist low income persons or families who qualify as handicapped families as defined in section 1701q of Title 12. Advances and progress payments may be made, under any contract to make grants under this section, without regard to the provisions of section 529 of Title 31. (Pub. L. 87-70, title II, § 207, June 30, 1961, 75 Stat. 165; Pub. L. 88-560, title II, § 203(e), title IV, § 407, Sept. 2, 1964, 78 Stat. 784, 796.)

CODIFICATION

Section was enacted as part of the Housing Act of 1961 and not as a part of the United States Housing Act of 1937, which comprises this chapter.

AMENDMENTS

1964—Pub. L. 88-560 increased the maximum amount of grants from \$5,000,000 to \$10,000,000 and provided for the demonstration of housing and the means of providing housing that will assist low-income persons or handicapped families.

Chapter 8A.—SLUM CLEARANCE, URBAN RENEWAL, AND FARM HOUSING

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SUBCHAPTER I.—GENERAL PROVISIONS.

§ 1441. Congressional declaration of national housing policy.

The Congress declares that the general welfare and security of the Nation and the health and living standards of its people require housing production and related community development sufficient to remedy the serious housing shortage, the elimination of substandard and other inadequate housing through the clearance of slums and blighted areas, and the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family, thus contributing to the development and redevelopment of communities and to the advancement of the growth, wealth, and security of the Nation. The Congress further declares that such production is necessary to enable the housing industry to make its full contribution toward an economy of maximum employment, production, and purchasing power. The policy to be followed in attaining the national housing objective established shall be: (1) private enterprise shall be encouraged to serve as large a part of the total need as it can; (2) governmental assistance shall be utilized where feasible to enable private enterprise to serve more of the total need; (3) appropriate local public bodies shall be encouraged and assisted to undertake positive programs of encouraging and assisting the development of well-planned, integrated residential neighborhoods, the development and redevelopment of communities, and the production, at lower costs, of housing of sound standards of design, construction, livability, and size for adequate family life; (4) governmental assistance to eliminate substandard and other inadequate housing through the clearance of slums and blighted areas, to facilitate community development and redevelopment, and to provide adequate housing for urban and rural nonfarm families with incomes so low that they are not being decently housed in new or existing housing shall be extended to those localities which estimate their own needs and demonstrate that these needs are not being met through reliance solely upon private enterprise, and without such aid; and (5) governmental assistance for decent, safe,

and sanitary farm dwellings and related facilities shall be extended where the farm owner demonstrates that he lacks sufficient resources to provide such housing on his own account and is unable to secure necessary credit for such housing from other sources on terms and conditions which he could reasonably be expected to fulfill. The Housing and Home Finance Agency and its constituent agencies, and any other departments or agencies of the Federal Government having powers, functions, or duties with respect to housing, shall exercise their powers, functions, and duties under this or any other law, consistently with the national housing policy declared by this Act and in such manner as will facilitate sustained progress in attaining the national housing objective hereby established, and in such manner as will encourage and assist (1) the production of housing of sound standards of design, construction, livability, and size for adequate family life; (2) the reduction of the costs of housing without sacrifice of such sound standards; (3) the use of new designs, materials, techniques, and methods in residential construction, the use of standardized dimensions and methods of assembly of home-building materials and equipment, and the increase of efficiency in residential construction and maintenance; (4) the development of well-planned, integrated, residential neighborhoods and the development and redevelopment of communities; and (5) the stabilization of the housing industry at a high annual volume of residential construction. (July 15, 1949, ch. 338, § 2, 63 Stat. 413.)

REFERENCES IN TEXT

"This Act", referred to in the text, refers to act July 15, 1949, ch. 338, 63 Stat. 413, which is classified to sections 24, 34, 1701d-1 to 1701f-1, 1701h, 1701i, 1703, 1709, and 1738 of Title 12, Banks and Banking, sections 1401, 1402, 1406, 1409-1411, 1413-1416, 1420-1422, 1427-1430, and 1433 of this title, and this chapter.

SHORT TITLE

Section 1 of act July 15, 1949, provided that act July 15, 1949, should be popularly known as the "Housing Act of 1949". For classification of act July 15, 1949, see note above.

EQUAL OPPORTUNITY IN HOUSING

Executive order relating to equal opportunity in housing, see Ex. Ord. No. 11063, Nov. 20, 1962, 27 F.R. 11527, set out as a note under section 1982 of this title.

§ 1442. Repealed. Aug. 31, 1954, ch. 1158, § 7, 68 Stat. 1026.

Section, act July 15, 1949, ch. 338, title VI, § 607, 63 Stat. 441, related to housing census, and is now covered by section 141 of Title 13, Census.

§ 1443. Provisions as controlling over other laws.

Insofar as the provisions of any other law are inconsistent with the provisions of this Act, the provisions of this Act shall be controlling. (July 15, 1949, ch. 338, title VI, § 610, 63 Stat. 433.)

REFERENCES IN TEXT

"This Act", referred to in the text, is act July 15, 1949, popularly known as the "Housing Act of 1949". For distribution of act July 15, 1949, see note under section 1441 of this title.

§ 1444. Separability of provisions.

Except as may be otherwise expressly provided in this Act, all powers and authorities conferred by this Act shall be cumulative and additional to

and not in derogation of any powers and authorities otherwise existing. Notwithstanding any other evidences of the intention of Congress, it is declared to be the controlling intent of Congress that if any provisions of this Act, or the application thereof to any persons or circumstances, shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this Act or its applications to other persons and circumstances, but shall be confined in its operation to the provision of this Act, or the application thereof to the persons and circumstances directly involved in the controversy in which such judgment shall have been rendered. (July 15, 1949, ch. 338, title VI, § 611, 63 Stat. 443.)

REFERENCES IN TEXT

"This Act", referred to in the text, is act July 15, 1949, popularly known as the "Housing Act of 1949". For distribution of act July 15, 1949, see note under section 1441 of this title.

§ 1445. Repealed. Aug. 9, 1955, ch. 690, § 4 (1), 69 Stat. 625.

Section, act July 15, 1949, ch. 338, title VI, § 612, 63 Stat. 444, related to striking or subversive employees of the Housing and Home Finance Agency and the Department of Agriculture, withholding of their wages, and penalties, and is now covered by sections 118p—118r of Title 5, Executive Departments and Government Officers and Employees.

§ 1446. Records; contents; examination and audit.

CODIFICATION

Section, act Aug. 2, 1954, ch. 649, title VIII, § 814, 68 Stat. 647, as amended, related to the keeping of records, provided for their contents, and authorized examination and audit thereof. The provisions are classified to section 1434 of this title.

SUBCHAPTER II.—SLUM CLEARANCE AND URBAN RENEWAL

CROSS REFERENCES

Cost of inspections and of providing representatives at site of projects being undertaken by local public agencies pursuant to this subchapter, see section 1749d of Title 12, Banks and Banking.

§ 1450. Urban Renewal Fund.

The authorizations, funds, and appropriations available pursuant to sections 1452 and 1453 of this title shall constitute a fund, to be known as the "Urban Renewal Fund", and shall be available for advances, loans, and grants to local public agencies for urban renewal projects in accordance with the provisions of this subchapter, and all contracts, obligations, assets, and liabilities existing under or pursuant to said sections prior to August 2, 1954 are transferred to said Fund. (July 15, 1949, ch. 338, title I, § 100, as added Aug. 2, 1954, ch. 649, title III, § 302, 68 Stat. 622, and amended Sept. 23, 1959, Pub. L. 86-372, title IV, § 417(1), 73 Stat. 676.)

AMENDMENTS

1959—Pub. L. 86-372 substituted "advances, loans, and grants" for "advances, loans, and capital grants."

COMPLETION OF PROJECTS ENTERED INTO PRIOR TO AUGUST 2, 1954

Section 312 of act Aug. 2, 1954, provided that: "Notwithstanding the amendments of this title to title I of the Housing Act of 1949, as amended [this subchapter], the Administrator, with respect to any project covered by any Federal aid contract executed, or prior approval granted, by him under said title I before the effective

date of this Act [Aug. 2, 1954], upon request of the local public agency, shall continue to extend financial assistance for the completion of such project in accordance with the provisions of said title I in force immediately prior to the effective date of this Act."

§ 1451. Local programs.

(a) Local responsibilities considered by Administrator in extending financial assistance.

In entering into any contract for advances for surveys, plans, and other preliminary work for projects under this subchapter or for grants pursuant to section 1453(d) of this title, the Administrator shall give consideration to the extent to which appropriate local public bodies have undertaken positive programs (through the adoption, modernization, administration, and enforcement of housing, zoning, building and other local laws, codes and regulations relating to land use and adequate standards of health, sanitation, and safety for buildings, including the use and occupancy of dwellings) for (1) preventing the spread or recurrence in the community of slums and blighted areas, and (2) encouraging housing cost reductions through the use of appropriate new materials, techniques, and methods in land and residential planning, design, and construction, the increase of efficiency in residential construction, and the elimination of restrictive practices which unnecessarily increase housing costs.

(b) Encouragement of operations of local public agencies.

In the administration of this subchapter, the Administrator shall encourage the operations of such local public agencies as are established on a State, or regional (within a State), or unified metropolitan basis or as are established on such other basis as permits such agencies to contribute effectively toward the solution of community development or redevelopment problems on a State, or regional (within a State), or unified metropolitan basis. The Administrator shall particularly encourage the utilization of local public agencies established by the States to operate on a statewide basis in behalf of smaller communities within the State which are undertaking or propose to undertake urban renewal programs whenever that arrangement facilitates the undertaking of an urban renewal program by any such community, or provides an effective solution to community development or redevelopment problems in such communities, and is approved by resolution or ordinance of the governing bodies of the affected communities.

(c) Requirements; exceptions; prohibition against delegation of certain functions; minimum standards housing code.

No contract shall be entered into for any loan or capital grant under this subchapter, or for annual contributions or capital grants pursuant to the United States Housing Act of 1937, as amended, for any project or projects not constructed or covered by a contract for annual contributions prior to August 1, 1956, and no mortgage shall be insured, and no commitment to insure a mortgage shall be issued, under section 1715k or section 1715(d)(3) of Title 12 unless (1) there is presented to the Administrator by the locality, a workable program for community improvement (which

shall include an official plan of action, as it exists from time to time, for effectively dealing with the problem of urban slums and blight within the community and for the establishment and preservation of a well-planned community with well-organized residential neighborhoods of decent homes and suitable living environment for adequate family life) for utilizing appropriate private and public resources to eliminate, and prevent the development or spread of, slums and urban blight, to encourage needed urban rehabilitation, to provide for the redevelopment of blighted, deteriorated, or slum areas, or to undertake such of the aforesaid activities or other feasible community activities as may be suitably employed to achieve the objectives of such a program, and (2) on the basis of his review of such program, the Administrator determines that such program meets the requirements of this subsection and certifies to the constituent agencies affected that the Federal assistance may be made available in such community: *Provided*, That this sentence shall not apply to the insurance of, or commitment to insure, a mortgage under section 1715k of Title 12, if the mortgaged property is in an area referred to in clause (A) (i) of paragraph (1) of subsection (d) of said section: *And provided further*, That notwithstanding any other provisions of law which would authorize such delegation or transfer, there shall not be delegated or transferred to any other official (except an officer or employee of the Housing and Home Finance Agency serving as Acting Administrator during the absence or disability of the Administrator or in the event of a vacancy in that office) the final authority vested in the Administrator (i) to determine whether any such workable program meets the requirements of this subsection, (ii) to make the certification that Federal assistance of the types enumerated in this subsection may be made available in such community, or (iii) to determine that the relocation requirements of section 1455(c) of this title have been met; *Provided further*, That commencing three years after September 2, 1964, no workable program shall be certified or re-certified unless (A) the locality has had in effect, for at least six months prior to such certification or re-certification, a minimum standards housing code, related but not limited to health, sanitation, and occupancy requirements, which is deemed adequate by the Administrator, and (B) the Administrator is satisfied that the locality is carrying out an effective program of enforcement to achieve compliance with such housing code.

(d) Facilities for furnishing urban renewal service and assembly of information.

The Administrator is authorized to establish facilities (1) for furnishing to communities, at their request, an urban renewal service to assist them in the preparation of a workable program as referred to in the subsection (c) of this section and to provide them with technical and professional assistance for planning and developing local urban renewal programs (including rehabilitation projects requiring no additional assistance under this subchapter or self-liquidating redevelopment projects), and (2) for the assembly, analysis and reporting of information pertaining to such programs. (July 15, 1949

ch. 338, title I, § 101, 63 Stat. 414; Aug. 2, 1954, ch. 649, title III, § 303, 68 Stat. 623; Aug. 11, 1955, ch. 783, title I, § 108(a), 69 Stat. 638; Aug. 7, 1956, ch. 1029, title IV, § 402, 70 Stat. 1103; Sept. 23, 1959, Pub. L. 86-372, title I, § 110(a) (3), (4), title IV, §§ 401, 417(2), 73 Stat. 659, 670, 677; June 30, 1961, Pub. L. 87-70, title I, § 101(b), title III, § 314(a), 75 Stat. 153, 172; Sept. 2, 1964, Pub. L. 88-560, title III, §§ 301(a), 302, 78 Stat. 785.)

REFERENCES IN TEXT

The United States Housing Act of 1937, as amended, referred to in subsec. (c), is classified to chapter 8 of this title.

AMENDMENTS

1964—Subsec. (c). Pub. L. 88-560, § 301(a), provided that three years after Sept. 2, 1964, no program shall be certified or recertified, unless the locality has had in effect for at least six months, a minimum standards housing code, and the administrator is satisfied that the locality is enforcing such code.

Subsec. (d). Pub. L. 88-560, § 302, included rehabilitation projects requiring no additional assistance under this subchapter or self-liquidating redevelopment projects.

1961—Subsec. (c). Pub. L. 87-70 substituted "under section 1715k or section 1715l(d)(3) of Title 12" for "under section 1715k or 1715l of Title 12", and "of subsection (d) of said section" for "of subsection (d) of said section, or under section 1715l of Title 12, if the mortgaged property is in an area described in clause (3) of subsection (a) of said section, or in a community referred to in clause (2)(B) of said section", inserted words "for community improvement" following workable program" in cl. (1), and eliminated provisions which prohibited delegation or transfer of the authority vested in the Administrator to make the certifications as to the maximum number of dwelling units needed for the relocation of families to be displaced as a result of governmental action and who would be eligible to rent or purchase dwelling accommodations in properties covered by mortgage insurance under section 1715l of Title 12.

1959—Subsec. (a). Pub. L. 86-372, § 417(2), inserted words "or for grants pursuant to section 1453(d) of this title" following "under this subchapter."

Subsec. (b). Pub. L. 86-372, § 401, required the Administrator to encourage the utilization of local public agencies established by the States to operate on a statewide basis in behalf of smaller communities which are undertaking or propose to undertake urban renewal programs whenever that arrangement facilitates the undertaking of an urban renewal program by any such community, or provides an effective solution to community development or redevelopment problems in such communities, and is approved by resolution or ordinance of the governing bodies of the affected communities.

Subsec. (c). Pub. L. 86-372, § 110(a) (3), (4), substituted "if the mortgaged property is in an area described in clause (3) of subsection (a) of said section, or in a community referred to in clause (2)(B) of said section" for "if the mortgaged property is in a community referred to in clause (2) of subsection (a) of said section", and eliminated words "in a community" following "as a result of governmental action" in the last proviso.

1956—Subsec. (c). Act Aug. 7, 1956, inserted after the first comma "or for annual contributions or capital grants pursuant to the United States Housing Act of 1937, as amended, for any project or projects not constructed or covered by a contract for annual contributions prior to August 1, 1956."

1955—Subsec. (c). Act Aug. 11, 1955, eliminated the requirement that before a contract for annual contributions or capital grants can be entered into the community must have a workable program for the prevention and elimination of slums.

1954—Act Aug. 2, 1954, strengthened the requirements with respect to local responsibility and local action, restricted the delegation of certain final authorities vested in the Administrator, and established facilities for (1)

an urban renewal service, and (2) the assembly, etc., of information pertaining to programs under this subchapter.

AMENDMENT OF CONTRACTS FOR INCORPORATION OF CERTAIN COST PROVISIONS

Section 301(d) of Pub. L. 88-560 provided that: "Any contract for a capital grant under title I of the Housing Act of 1949 [this subchapter], executed prior to the date of enactment of this Act [Sept. 2, 1964], may be amended to incorporate the provisions of subsection (c) [of section 1460 of this title] for costs incurred on or after such date."

CROSS REFERENCES

"Workable program" requirements of subsection (c) of this section not applicable to urban renewal in disaster area, see section 1462 of this title.

§ 1451a. Repealed. Aug. 2, 1954, ch. 649, title III, § 313, 68 Stat. 629.

Section, acts July 31, 1953, ch. 302, title I, § 101, 67 Stat. 305; June 24, 1954, ch. 359, title I, § 101, 68 Stat. 283, which provided that the authority under this subchapter should be used to the utmost in connection with slum rehabilitation needs, is now covered by other sections in this subchapter. See, particularly, sections 1451 and 1455 of this title.

§ 1452. Loans.

(a) Temporary and definitive loans; amounts; interest rates; security; repayment.

To assist local communities in the elimination of slums and blighted or deteriorated or deteriorating areas, in preventing the spread of slums, blight or deterioration, and in providing maximum opportunity for the redevelopment, rehabilitation, and conservation of such areas by private enterprise, the Administrator may make temporary and definitive loans to local public agencies in accordance with the provisions of this subchapter for the undertaking of urban renewal projects. Such loans (outstanding at any one time) shall be in such amounts not exceeding the estimated expenditures to be made by the local public agency for such purposes, bear interest at such rate (not less than the applicable going Federal rate), be secured in such manner, and be repaid within such period (not exceeding, in the case of definitive loans, forty years from the date of the bonds or other obligations evidencing such loans), as may be deemed advisable by the Administrator. In any case where, in connection with its undertaking and carrying out of an urban renewal project, a local public agency is authorized (under the circumstances in which the temporary loan herein provided is requested) to acquire real property in the urban renewal area, the Administrator, in addition to all other authority under this subchapter and notwithstanding any other provisions of this subchapter, regardless of the stage of development of the urban renewal plan and whether before or after the approval thereof, may make a temporary loan or loans to any such local public agency to finance the acquisition of such real property: *Provided*, That no loan for such purpose shall be made unless (1) the governing body of the locality involved shall have approved by resolution or ordinance the acquisition of real property in the urban renewal area, and (2) either (A) the Administrator shall have determined that such loan is reasonably secured by a first mortgage or other prior lien upon such real property or is otherwise reasonably secured, or (B) the governing body of the locality

shall have assumed the responsibility to bear any loss that may arise as the result of such acquisition in the event that the property so acquired is not used for urban renewal purposes because the urban renewal plan for the project is not approved, or is amended to omit any of the acquired property, or is abandoned for any reason: *Provided further*, That the Administrator may, in his discretion and subject to such conditions as he may impose, permit any structure so acquired to be demolished and removed, and may include in any loan authorized by this section the cost of such demolition and removal, together with administrative, relocation, and other related costs and payments, if the approval of the local governing body extends to such demolition and removal: *And provided further*, That the loan contract shall provide that the local public agency shall not dispose of such real property (except in lieu of foreclosure) until the local governing body of the locality involved shall have either approved the urban renewal plan for the project or consented to the disposal of such real property. Notwithstanding any other provision of this subchapter, the Administrator may make a temporary loan, as described in the first two sentences of this subsection, for two or more urban renewal projects being carried out by the same local public agency. The principal amount of any such loan which is outstanding at any one time shall not exceed the estimated expenditures to be made by the local public agency for such projects.

(h) Projects on open or predominantly open land.

In connection with any project on land which is open or predominantly open, the Administrator may make temporary loans to municipalities or other public bodies for the provision of public buildings or facilities necessary to serve or support the new uses of such land in the project area. Such temporary loans shall be in such amounts not exceeding the expenditures to be made for such purpose, bear interest at such rate (not less than the applicable going Federal rate), be secured in such manner, and be repaid within such period (not exceeding ten years from the date of the obligations evidencing such loans), as may be deemed advisable by the Administrator.

(c) Renegotiation of loans at lower interest rate; pledge of loan contract; payment of principal and interest; construction of contracts and other obligations; incontestability; full faith and credit.

Loans made pursuant to subsection (a) or (b) of this section may be made subject to the condition that, if at any time or times or for any period or periods during the life of the loan contract the local public agency can obtain loan funds from sources other than the Federal Government at interest rates lower than provided in the loan contract, it may do so with the consent of the Administrator at such times and for such periods without waiving or surrendering any rights to loan funds under the contract for the remainder of the life of such contract, and, in any such case, the Administrator is authorized to consent to a pledge by the local public agency of the loan contract, and any or all of its rights thereunder, as security for the repayment of the principal of and the interest on the loan funds

so obtained from other sources. In connection with any such pledge of a loan contract, including loan payments thereunder, as security for the repayment of obligations of the local public agency held by other than the Federal Government, the Administrator is authorized to agree to pay, through operations of a paying agent or agents, and to pay or cause to be paid when due, from funds obtained pursuant to subsection (e) of this section, to the holders of such obligations (or to their agents or designees) the principal of and the interest of such obligations, subject to such conditions as the Administrator may determine but without regard to any other condition or requirement. Notwithstanding any other provision of law, any contract or other instrument executed by the Administrator which by its terms, includes an obligation of the Administrator to make payment pursuant to this subsection shall be construed by all officers of the United States separate and apart from the loan contract and shall be incontestable in the hands of a bearer and the full faith and credit of the United States is pledged to the payment of all amounts agreed to be paid by the Administrator pursuant to this subsection.

(d) Advances for surveys and plans; repayment; interest rate; application; General Neighborhood Renewal Plans.

The Administrator may make advances of funds to local public agencies for surveys of urban areas to determine whether the undertaking of urban renewal projects therein may be feasible and for surveys and plans for urban renewal projects which may be assisted under this subchapter, including, but not limited to, (i) plans for carrying out a program of voluntary repair and rehabilitation of buildings and improvements, (ii) plans for the enforcement of State and local laws, codes, and regulations relating to the use of land and the use and occupancy of buildings and improvements, and to the compulsory repair, rehabilitation, demolition, or removal of buildings and improvements, and (iii) appraisals, title searches, and other preliminary work necessary to prepare for the acquisition of land in connection with the undertaking of such projects. The contract for any such advance of funds shall be made upon the condition that such advance of funds shall be repaid, with interest at not less than the applicable going Federal rate, out of any moneys which become available to the local public agency for the undertaking of the project involved. No contract for any such advances of funds for surveys and plans for urban renewal projects which may be assisted under this subchapter shall be made unless the governing body of the locality involved has by resolution or ordinance approved the undertaking of such surveys and plans and the submission by the local public agency of an application for such advance of funds. Notwithstanding section 1460 (h) of this title or the use in any other provision of this subchapter of the term "local public agency" or "local public agencies" the Administrator may make advances of funds under this subsection for surveys and plans for an urban renewal project (including General Neighborhood Renewal Plans as hereinafter defined) to a single local public body which has the authority to undertake and

carry out a substantial portion, as determined by the Administrator, of the surveys and plans or the project respecting which such surveys and plans are to be made: *Provided*, That the application for such advances shows, to the satisfaction of the Administrator, that the filing thereof has been approved by the public body or bodies authorized to undertake the other portions of the surveys and plans or of the project which the applicant is not authorized to undertake.

In order to facilitate proper preliminary planning for the attainment of the urban renewal objectives of this subchapter, the Administrator may also make advances of funds (in addition to those authorized above) to local public agencies for the preparation of General Neighborhood Renewal Plans (as herein defined) for urban renewal areas of such scope that the urban renewal activities therein may have to be carried out in stages, consistent with the capacity and resources of the respective local public agency, over an estimated period of not more than ten years. No contract for advances for the preparation of a General Neighborhood Renewal Plan may be made unless the Administrator has determined that:

(1) in the interest of sound community planning, it is desirable that the urban renewal area be planned for urban renewal purposes in its entirety;

(2) the local public agency proposes to undertake promptly an urban renewal project embracing at least 10 per centum of such area, upon completion of the General Neighborhood Renewal Plan and the preparation of an urban renewal plan for such project; and

(3) the governing body of the locality has by resolution or ordinance (i) approved the undertaking of the General Neighborhood Renewal Plan and the submission of an application for such advance and (ii) represented that such plan will be used to the fullest extent feasible as a guide for the provision of public improvements in such area and that the plan will be considered in formulating codes and other regulatory measures affecting property in the area and in undertaking other local governmental activities pertaining to the development, redevelopment, rehabilitation, and conservation of the area.

The contract for any such advance of funds for a General Neighborhood Renewal Plan shall be made upon the condition that such advance shall be repaid, with interest at not less than the applicable going Federal rate, out of any moneys which become available to the local public agency for the undertaking of the first urban renewal project in such area: *Provided*, That in the event of the undertaking of any other project or projects in such area an appropriate allocation of the amount of the advance, with interest, may be effected to the end that each such project may bear its proper allocable part, as determined by the Administrator, of the cost of the General Neighborhood Renewal Plan. As used herein, a General Neighborhood Renewal Plan means a preliminary plan (conforming, in the determination of the governing body of the locality, to the general plan of the locality as a whole and to the workable program of the community meeting

the requirements of section 1451 of this title) which outlines the urban renewal activities proposed for the area involved, provides a framework for the preparation of urban renewal plans and indicates generally, to the extent feasible in preliminary planning, the land uses, population density, building coverage, prospective requirements for rehabilitation and improvement of property, and any portions of the area contemplated for clearance and redevelopment.

(e) Amount of funds outstanding for loans.

The total amount of loan contracts outstanding at any one time under this subchapter shall not exceed the aggregate of the estimated expenditures to be made by local public agencies as part of the gross project cost of the projects assisted by such contracts. To obtain funds for advance and loan disbursements under this subchapter, the Administrator may issue and have outstanding at any one time notes and obligations for purchase by the Secretary of the Treasury in an amount which shall not, unless authorized by the President exceed \$1,000,000,000. For the purpose of establishing unpaid obligations as of a given date against the authorization contained in the preceding sentence, the Administrator shall estimate the maximum amount to be required to be borrowed from the Treasury and outstanding at any one time with respect to loan commitments in effect on such date.

(f) Notes and obligations; form and denomination; maturity date; interest rate; purchase and sale by Treasury; public debt transaction.

Notes or other obligations issued by the Administrator under this subchapter shall be in such forms and denominations, have such maturities, and be subject to such terms and conditions as may be prescribed by the Administrator, with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of such notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Administrator issued under this subchapter and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchases of such notes and other obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.

(g) Tax exemption.

Obligations, including interest thereon, issued by local public agencies for projects assisted pursuant to this subchapter, and income derived by such agencies from such projects, shall be exempt from all taxation now or hereafter imposed by the United

States. (July 15, 1949, ch. 338, title I, § 102, 63 Stat. 414; Aug. 2, 1954, ch. 649, title III, § 304, 68 Stat. 624; Aug. 7, 1956, ch. 1029, title III, §§ 301, 303, 70 Stat. 1097, 1099; Sept. 23, 1959, Pub. L. 86-372, title IV, §§ 402-404, 73 Stat. 671; June 30, 1961, Pub. L. 87-70, title III, §§ 302(a), 314(b), 75 Stat. 166, 172; Sept. 2, 1964, Pub. L. 88-560, title III, § 303(a), 78 Stat. 785.)

REFERENCES IN TEXT

The Second Liberty Bond Act, as amended, referred to in subsection (f), is classified to sections 745, 752-754b, 757, 757b-758, 760, 764-766, 769, 771, 773, 774, and 801 of Title 31, Money and Finance.

Such Act, as amended, referred to in subsection (f), refers to the Second Liberty Bond Act.

AMENDMENTS

1964—Subsec. (a). Pub. L. 88-560 authorized the Administrator to make temporary loans for two or more urban renewal projects being carried out by the same local public agency, not exceeding at any one time, the estimated expenditures to be made by the local public agency for such projects.

1961—Subsec. (a). Pub. L. 87-70, § 314(b), inserted the words, "together with administrative, relocation, and other related costs and payments," following "the cost of such demolition and removal."

Subsec. (c). Pub. L. 87-70, § 302(a), authorized the Administrator, in connection with any pledge of a loan contract, including loan payments thereunder, as security for the repayment of obligations of the local public agency held by other than the Federal Government, to agree to pay, through operations of a paying agent or agents, and to pay or cause to be paid when due, to the holders of such obligations (or to their agents or designees) the principal and interest on such obligations, and inserted provisions requiring contracts or other instruments which include an obligation of the Administrator to make payment pursuant to this subsection to be construed separate and apart from the loan contract, which state that they are incontestable and which pledge the full faith and credit of the United States to the payment.

1959—Subsec. (a). Pub. L. 86-372, §§ 402(a), 403, substituted "for such purposes" for "as part of the gross project cost" in the second sentence, and inserted provisions authorizing the Administrator to make a temporary loan or loans to a local public agency to finance the acquisition of real property regardless of the stage of development of the urban renewal plan and whether before or after the approval thereof.

Subsec. (c). Pub. L. 86-372, § 402(b), substituted "repayment of the principal of and the interest on the loan funds" for "repayment of the loan funds."

Subsec. (e). Pub. L. 86-372, § 404, among other changes, inserted provisions limiting the total amount of loan contracts outstanding at any one time under this subchapter to not more than the aggregate of the estimated expenditures to be made by local public agencies as part of the gross project cost of the projects assisted by such contracts, and requiring the Administrator, for the purpose of establishing unpaid obligations as of a given date against the authorization, to estimate the maximum amount to be required to be borrowed from the Treasury and outstanding at any one time with respect to loan commitments in effect on such date, and eliminated provisions which authorized the limitation (subject to the total authorization of \$1,000,000,000) to be increased by additional amounts aggregating not more than \$250,000,000 upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase upon the conditions in the building industry and upon the national economy, that such action is in the public interest.

1956—Subsec. (d). Act Aug. 7, 1956, added provisions to permit Administrator to advance funds for surveys to agency authorized to carry out substantial portion of project respecting which surveys and plans are to be made, provided application for advances shows filing has been approved by public bodies authorized to undertake

other portions of project which applicant is not authorized to undertake, added "surveys of urban areas to determine whether the undertaking of urban renewal projects therein may be feasible and for" following "The Administrator may make advances of funds to local public agencies for", and added provisions at the end relating to General Neighborhood Renewal Plans.

1954—Subsec. (a). Act Aug. 2, 1954, § 304 (1) (2), in first sentence, redefined the areas to be eliminated, and redefined "projects" (referred to as urban renewal projects); and, in second sentence, substituted "estimated expenditures" for "expenditures", and substituted "bonds or other obligations" for "bonds".

Subsec. (b). Act Aug. 2, 1954, § 304 (3) (4), near end of first sentence, inserted "such" before "land", and, in second sentence, substituted "at" for "as", before "such rate".

Subsec. (d). Act Aug. 2, 1954, § 304(5), included among the advances of funds (1) plans for carrying out a program of voluntary repair and rehabilitation of buildings and improvements, (2) plans for enforcement of State and local laws, codes and regulations relating to the use and occupancy of buildings and improvements, and to the compulsory repair, demolition or removal of buildings and improvements, and (3) appraisals, title searches and other preliminary work necessary to prepare for the acquisition of land in connection with the undertaking of the projects referred to, and provided that no such advance could be made in connection with any urban renewal project unless the governing body of the locality involved has approved (by resolution or ordinance) the undertaking of the surveys and plans and the submission by the local public agency of an application for the advance of funds.

DELEGATION OF FUNCTIONS

For delegation of functions, vested in the President by subsection (e) of this section, to the Housing and Home Finance Administrator, see section 4 (a) of Ex. Ord. No. 10530, May 10, 1954, 19 F.R. 2709, set out as a note under section 301 of Title 3, The President.

CROSS REFERENCE

Blighted or deteriorated area requirement, urban renewal disaster area, see section 1462 of this title.

§ 1452a. Grants for preventing and eliminating slums and urban blight; preferences; reports, summaries, and informational material; aggregate amount; advance or progress payments.

(a) The Housing and Home Finance Administrator is authorized to make grants, subject to such terms and conditions as he shall prescribe, to public bodies, including cities and other political subdivisions, to assist them in developing, testing, and reporting methods and techniques, and carrying out demonstrations and other activities for the prevention and the elimination of slums and urban blight. No such grant shall exceed two-thirds of the cost, as determined or estimated by said Administrator, of such activities of undertakings, but such a grant may in addition cover the full cost of writing and publishing the reports on such activities and undertakings. In administering this section, said Administrator shall give preference to those activities and undertakings which in his judgment can reasonably be expected to (1) contribute most significantly to the improvement of methods and techniques for the elimination and prevention of slums and blight, and (2) best serve to guide renewal programs in other communities.

(b) The Administrator is further authorized to pay for the cost of (1) writing and publishing reports on activities and undertakings financed by grants made under this section, as well as reports on similar activities and undertakings, not so financed,

which are of significant value in furthering the purposes of this section, and (2) writing and publishing summaries and other informational material on such reports.

(c) The aggregate amount of grants made under subsection (a) of this section, and other costs incurred pursuant to subsection (b) of this section, shall not exceed \$10,000,000 and shall be payable from the grant funds provided under and authorized by section 1453(b) of this title. The Administrator may make advance or progress payments on account of any contract entered into pursuant to this section, notwithstanding the provisions of section 529 of Title 31. (Aug. 2, 1954, ch. 649, title III, § 314, 68 Stat. 629; Sept. 2, 1964, Pub. L. 88-560, title III, § 313, 78 Stat. 792.)

CODIFICATION

Section was enacted as a part of the Housing Act of 1954, and not as a part of the Housing Act of 1949, which comprises this chapter.

AMENDMENTS

1964—Pub. L. 88-560 provided that a grant may cover the full cost of writing and publishing reports on activities and undertakings, authorized the Administrator to pay costs of reports on activities financed under this section as well as on similar activities, not so financed, of significant value in furthering the purposes of this section, and summaries and other informational material on such reports, and increased the aggregate amount of grants made under the section from \$5,000,000 to \$10,000,000.

§ 1452b. Rehabilitation loans.

(a) Considerations.

To assist rehabilitation in an urban renewal area and thereby reduce the need for demolition and removal of structures, the Housing and Home Finance Administrator is hereby authorized, through the utilization of local public and private agencies where feasible, to make loans as herein provided to the owners or tenants of property in such area to finance rehabilitation required to make the property conform to applicable code requirements or to carry out the objectives of the urban renewal plan for the area. No loan shall be made under this section unless the Administrator finds (1) that the applicant is unable to secure the necessary funds from other sources upon reasonable terms and conditions, and (2) the loan is an acceptable risk taking into consideration the need for the rehabilitation, the security available for the loan, and the ability of the applicant to repay the loan.

(b) Definitions.

For the purposes of this section—

(1) the term "rehabilitation" means the improvement or repair of a structure or facilities in connection with a structure, and may include the provision of such sanitary or other facilities as are required by applicable codes or the urban renewal plan to be provided by the owner or tenant of the property;

(2) the term "urban renewal area" means a slum area or a blighted, deteriorated, or deteriorating area as defined in section 1460(a) of this title

(3) the term "tenant" means a person or organization who is occupying a structure under a

lease having a period to run at the time a rehabilitation loan is made under this section of not less than the term of the loan; and

(4) the term "Administrator" means the Housing and Home Finance Administrator.

(c) Limitations.

A rehabilitation loan made under this section shall be subject to the following limitations:

(1) The loan shall be subject to such terms and conditions as may be prescribed by the Administrator.

(2) The term of the loan may not exceed twenty years or three-fourths of the remaining economic life of the structure after rehabilitation, whichever is less.

(3) The loan shall bear interest at such rate as the Administrator determines to be appropriate but not to exceed 3 per centum per annum of the amount of the principal outstanding at any time, and the Administrator may prescribe such other charges as he finds necessary, including service charges and appraisal, inspection, and other fees.

(4) The amount of the loan may not exceed—

(A) in the case of residential property, the amount of a loan which could be insured by the Federal Housing Commissioner under section 1715k(h) of Title 12: *Provided*, That, within the limitations otherwise applicable on the amount of a loan under such section, the loan may exceed the cost of rehabilitation in order to include an amount approved by the Administrator to refinance existing indebtedness secured by such property if such refinancing is necessary to enable the applicant to amortize, with a monthly payment of not more than 20 per centum of his average monthly income, such loan and any other indebtedness secured by his property; and

(B) in the case of nonresidential property, whichever of the following is the least: \$50,000, or the cost of rehabilitation, or an amount which when added to any outstanding indebtedness related to the property securing the loan creates a total outstanding indebtedness that the Administrator determines could be reasonably secured by a first mortgage on the property.

(5) A loan shall be secured as determined by the Administrator.

(d) Authorization of appropriations; revolving fund.

There is authorized to be appropriated not to exceed \$50,000,000 which shall constitute a revolving fund to be used by the Administrator in carrying out this section.

(e) Additional functions, powers and duties of Administrator.

In the performance of, and with respect to, the functions, powers, and duties vested in him by this section, the Administrator shall have (in addition to any authority otherwise vested in him) the functions, powers, and duties set forth in section 1749a of Title 12 (except subsection (c) (2)).

(f) Use of Federal or local public or private agency or organization as agent of Administrator.

The Administrator is authorized to delegate to or use as his agent any Federal or local public or private agency or organization to the extent he determines appropriate and desirable to carry out the objectives of this section in the area involved.

(g) Rules and regulations; requirements and conditions.

The Administrator is authorized to issue such rules and regulations and impose such requirements and conditions (in addition to those specified in this section) as he determines to be desirable to carry out the objectives of this section, including limitations on the amount of a loan and restrictions on the use of the property involved. (Pub. L. 88-560, title III, § 312, Sept. 2, 1964, 78 Stat. 790.)

§ 1453. Grants for urban renewal projects.

(a) Authorization; aggregate amount; limitation on grants for individual projects.

(1) The Administrator may make capital grants to local public agencies in accordance with the provisions of this subchapter for urban renewal projects: *Provided*, That the Administrator shall not make any contract for capital grant with respect to a project which consists of open land.

(2) The aggregate of such capital grants with respect to all of the projects of a local public agency (or of two or more local public agencies in the same municipality) on which contracts for capital grants have been made under this subchapter shall not exceed the total of—

(A) two-thirds of the aggregate net project costs of all such projects to which neither subparagraph (B) nor subparagraph (C) applies, and

(B) three-fourths of the aggregate net project costs of any of such projects which are located in a municipality having a population of fifty thousand or less (one hundred fifty thousand or less in the case of a municipality situated in an area which, at the time the contract or contracts involved are entered into or at such earlier time as the Administrator may specify in order to avoid hardship, is designated as a redevelopment area under the second sentence of section 2504(a) of this title) according to the most recent decennial census, and

(C) three-fourths of the aggregate net project costs of any of such projects (not falling within subparagraph (B)) which the Administrator, upon request, may approve on a three-fourths capital grant basis.

(3) A capital grant with respect to any individual project shall not exceed the difference between the net project cost and the local grants-in-aid actually made with respect to the project.

(b) Limitation on aggregate amount of grants; authorization of appropriations; repayment of certain uncollectible loans.

The Administrator may, with the approval of the President, contract to make grants under this subchapter aggregating not to exceed \$4,725,000,000: *Provided*, That of such sum the Administrator may, without regard to other provisions of this subchapter, contract to make grants aggregating not to exceed \$25,000,000 for mass transportation dem-

onstration projects which he determines will assist in carrying out urban transportation plans and research, including but not limited to the development of data and information of general applicability on the reduction of urban transportation needs, the improvement of mass transportation service, and the contribution of such service toward meeting total urban transportation needs at minimum cost. Such grants shall not be used for major long-term capital improvement; shall not exceed two-thirds of the cost, as determined or estimated by the Administrator, of the project for which the grant is made; and shall be subject to such other terms and conditions as he may prescribe. The Administrator is authorized, notwithstanding the provisions of section 529 of Title 31, to make advance or progress payments on account of any grant contracted to be made pursuant to this section. The faith of the United States is solemnly pledged to the payment of all grants contracted for under this subchapter, and there are authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the amounts necessary to provide for such payments: *Provided*, That any amounts so appropriated shall also be available for repaying to the Secretary of the Treasury, for application to notes of the Administrator, the principal amounts of any funds advanced to local public agencies under this subchapter which the Administrator determines to be uncollectible because of the termination of activities for which such advances were made, together with the interest paid or accrued to the Secretary (as determined by him) attributable to notes given by the Administrator in connection with such advances, but all such repayments shall constitute a charge against the authorization to make contracts for grants contained in this section: *Provided further*, That no such determination of the Administrator shall be construed to prejudice the rights of the United States with respect to any such advance.

(c) Restriction on financial assistance to localities or local public agencies.

Notwithstanding any other provision of this or any other Act, if financial assistance authorized by this subchapter to be made available to a locality or local public agency may be made available to any locality or local public agency within the limitations provided in subsection (b) of this section and sections 1452(e) and 1456(e) of this title, and the second paragraph following the paragraph numbered (6) of section 1460(c) of this title, the amount of such financial assistance made available to any locality or local public agency upon submission and processing of proper application therefor shall not otherwise be restricted except on the basis of (1) urgency of need, and (2) feasibility, as determined by the Administrator.

(d) Grants for preparation or completion of community renewal programs; requirements; approval by governing body; submission of application; limitation on amount of grants.

The Administrator may contract to make grants for the preparation or completion of community renewal programs, which may include, without being limited to, (1) the identification of slum areas or blighted, deteriorated, or deteriorating areas in

the community, (2) the measurement of the nature and degree of blight and blighting factors within such areas, (3) determination of the financial, relocation, and other resources needed and available to renew such areas, (4) the identification of potential project areas and, where feasible, types of urban renewal action contemplated within such areas, and (5) scheduling or programming of urban renewal activities. Such programs shall conform, in the determination of the governing body of the locality, to the general plan of the locality as a whole. The Administrator may establish reasonable requirements respecting the scope and content of such programs. No contract for a grant pursuant to this subsection shall be made unless the governing body of the locality involved has approved the preparation or completion of the community renewal program and the submission by the local public agency of an application for such a grant. Notwithstanding section 1460(h) of this title or the use in any other provision of this subchapter of the term "local public agency" or "local public agencies", the Administrator may make grants pursuant to this subsection for the preparation or completion of a community renewal program to a single local public body authorized to perform the planning work necessary to such preparation or completion. No grant made pursuant to this subsection shall exceed two-thirds of the cost (as such cost is determined or estimated by the Administrator) of the preparation or completion of the community renewal program for which such grant is made. (July 15, 1949, ch. 338, title I, § 103, 63 Stat. 416; Aug. 2, 1954, ch. 649, title III, § 305, 68 Stat. 625; Aug. 11, 1955, ch. 783, title I, § 106(a), 69 Stat. 637; July 12, 1957, Pub. L. 85-104, title III, §§ 301, 302(1), 71 Stat. 299; Sept. 23, 1959, Pub. L. 86-372, title IV, §§ 405, 417(1), 73 Stat. 672, 676; June 30, 1961, Pub. L. 87-70, title III, §§ 301(a), 303, 75 Stat. 165, 166; Sept. 2, 1964, Pub. L. 88-560, title III, § 304, 78 Stat. 785.)

REFERENCES IN TEXT

"This Act", referred to in subsec. (c), refers to the Housing Act of 1949, act July 15, 1949. For distribution of that act in this Code, see reference in text note under section 1441 of this title.

AMENDMENTS

1964—Subsec. (b). Pub. L. 88-560 substituted "\$4,725,000,000" for "\$4,000,000,000."

1961—Subsec. (a). Pub. L. 87-70, § 301(a), designated existing provisions as par. (1), eliminated therein provisions which limited the aggregate of capital grants with respect to all the projects of a local public agency on which contracts for capital grants have been made under this subchapter to not more than two-thirds of the aggregate of the net project costs of nonexcluded projects, which permitted the aggregate of the capital grants to exceed two-thirds but not three-fourths of the aggregate net project costs of those projects which the Administrator might approve on such a three-fourths capital grant basis, and which provided that a capital grant with respect to any individual project shall not exceed the difference between the net project cost and the local grants-in-aid actually made with respect to the project, and added pars. (2) and (3).

Subsec. (b). Pub. L. 87-70, § 303, increased the contract authorization from \$2,000,000,000 to \$4,000,000,000, empowered the Administrator to contract to make grants aggregating not more than \$25,000,000 for mass transportation demonstration projects, prohibited the use of such grants for major long-term capital improvements,

limited the grants to not more than two-thirds of the cost of the project, and permitted the Administrator to make advance or progress payments.

1959—Subsec. (b). Pub. L. 86-372, §§ 405 (1), (2), 417(1), increased the grant authorization by \$350,000,000 on September 23, 1959, and by \$300,000,000 on July 1, 1960, and provided that the appropriated funds shall also be available for repaying to the Secretary of the Treasury, for application to notes of the Administrator, the principal amounts of any funds advanced to local public agencies under this subchapter which the Administrator determines to be uncollectible because of the termination of activities for which such advances were made, together with the interest paid or accrued to the Secretary attributable to notes given by the Administrator in connection with such advances.

Subsecs. (c) and (d). Pub. L. 86-372, § 405(8), added subsecs. (c) and (d).

1957—Subsec. (a). Pub. L. 85-104, § 302(1), provided that capital grants may exceed two-thirds but not three-fourths of the aggregate net costs of projects which the Administrator, at the request of local public agency, approves on such basis.

Subsec. (b). Pub. L. 85-104, § 301, substituted "\$900,000,000, which limit shall be increased by \$350,000,000 on July 12, 1957" for "\$500,000,000, which limit shall be increased by further amounts of \$200,000,000 on July 1 in each of the years 1955 and 1956, respectively".

1955—Subsec. (b). Act Aug. 11, 1955, authorized \$200,000,000 on July 1, 1955 and July 1, 1956, for capital grants for slum clearance and urban renewal.

1954—Subsec. (a). Act Aug. 2, 1954, in the matter preceding the proviso, substituted "in accordance with the provisions of this subchapter for urban renewal projects" for "to enable such agencies to make land in project areas available for redevelopment at its fair value for the uses specified in the redevelopment plans".

DELEGATION OF FUNCTIONS

For delegation of functions, vested in the President by subsection (b) of this section, to the Housing and Home Finance Administrator, see section 4 (b) of Ex. Ord. No. 10530, May 11, 1954, 19 F. R. 2709, set out as a note under section 301 of Title 3, The President.

§ 1454. Requirements for local grants-in-aid.

Every contract for capital grants under this subchapter shall require local grants-in-aid in connection with the project involved. Such local grants-in-aid, together with the local grants-in-aid to be provided in connection with all other projects of the local public agency (or two or more local public agencies in the same municipality) on which contracts for capital grants have theretofore been made, shall be at least equal to the total of one-third of the aggregate net project costs of such projects undertaken on a two-thirds capital grant basis and one-fourth of the aggregate net project costs of such projects undertaken on a three-fourths capital grant basis. (July 15, 1949, ch. 338, title I, § 104, 63 Stat. 416; Aug. 2, 1954, ch. 649, title III, § 306, 68 Stat. 625; Aug. 7, 1956, ch. 1029, title III, § 306, 70 Stat. 1101; July 12, 1957, Pub. L. 85-104, title III, § 302(2), 71 Stat. 300; June 30, 1961, Pub. L. 87-70, title III, § 301(b), 75 Stat. 166.)

AMENDMENTS

1961—Pub. L. 87-70 inserted the parenthetical phrase "(or two or more local public agencies in the same municipality)" and substituted "shall be at least equal to the total of one-third of the aggregate net project costs of such projects undertaken on a two-thirds capital grant basis and one-fourth of the aggregate net project costs of such projects undertaken on a three-fourths capital grant basis" for "shall not be required in excess of one-third of the aggregate net project costs of all projects of the local public agency on which contracts for capital grants have been made on the two-thirds

basis, or in excess of one-fourth of the aggregate net project costs of all projects of the local public agency on which contracts for capital grants have been made on the three-fourths basis."

1957—Pub. L. 85-104 inserted "on the two-thirds basis, or in excess of one-fourth of the aggregate net project costs of all projects of the local public agency on which contracts for capital grants have been made on the three-fourths basis."

1956—Act Aug. 7, 1956, stated provisions that local governments are not required to pay in excess of one-third of net project costs.

1954—Act Aug. 2, 1954, substituted "of the property" for "of land" before "in such projects".

§ 1455. Requirements for loan- or capital-grant contracts.

Contracts for loans or capital grants shall be made only with a duly authorized local public agency and shall require that—

(a) Approval of urban renewal plan.

The urban renewal plan for the urban renewal area be approved by the governing body of the locality in which the project is situated, and that such approval include findings by the governing body that (i) the financial aid to be provided in the contract is necessary to enable the project to be undertaken in accordance with the urban renewal plan; (ii) the urban renewal plan will afford maximum opportunity, consistent with the sound needs of the locality as a whole, for the rehabilitation or redevelopment of the urban renewal area by private enterprise; and (iii) the urban renewal plan conforms to a general plan for the development of the locality as a whole; and (iv) the urban renewal plan gives due consideration to the provision of adequate park and recreational areas and facilities, as may be desirable for neighborhood improvement, with special consideration for the health, safety, and welfare of children residing in the general vicinity of the site covered by the plan;

(b) Obligations of purchasers, lessees, and assignees of property; and Federal agencies.

When real property acquired or held by the local public agency in connection with the project is sold or leased, the purchasers or lessees and their assignees shall be obligated (i) to devote such property to the uses specified in the urban renewal plan for the project area; (ii) to begin within a reasonable time any improvements on such property required by the urban renewal plan; and (iii) to comply with such other conditions as the Administrator finds, prior to the execution of the contract for loan or capital grant pursuant to this subchapter, are necessary to carry out the purposes of this subchapter: *Provided*, That clause (ii) of this subsection shall not apply to mortgagees and others who acquire an interest in such property as the result of the enforcement of any lien or claim thereon: *And provided further*, That, with respect to any improvements of a type which it is otherwise authorized to undertake, any Federal agency (as defined in section 472(b) of Title 40, and also including the District of Columbia or any agency thereof) is authorized to become obligated in accordance with this subsection, except that clause (ii) of this subsection shall apply to such Federal agency only to the extent that it is authorized (and funds have been made available) to make the improvements involved;

(c) Temporary relocation of individuals and families displaced from urban renewal area; relocation assistance program.

There be a feasible method for the temporary relocation of individuals and families displaced from the urban renewal area, and that there are or are being provided, in the urban renewal area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the individuals and families displaced from the urban renewal area, decent, safe, and sanitary dwellings equal in number to the number of and available to such displaced individuals and families and reasonably accessible to their places of employment: *Provided*, That the Administrator shall issue rules and regulations to aid in implementing the requirements of this subsection and in otherwise achieving the objectives of this subchapter which shall require that there be established, at the earliest practicable time, for each urban renewal project involving the displacement of families, individuals, or business concerns occupying property in an urban renewal area, a relocation assistance program which shall include such measures, facilities, and services as may be necessary or appropriate in order (1) to determine the needs of such families, individuals, and business concerns for relocation assistance, (2) to provide information and assistance to aid in relocation and otherwise minimize the hardships of displacement, and (3) to assure the necessary coordination of relocation activities with other project activities and other planned or proposed governmental actions in the community which may affect the carrying out of the relocation program.

(d) Acquisition of land; public hearings.

No land for any project to be assisted under this subchapter shall be acquired by the local public agency except after public hearing following notice of the date, time, place, and purpose of such hearing.

(e) Public disclosure by redevelopers.

No understanding with respect to, or contract for, the disposition of land within an urban renewal area shall be entered into by a local public agency unless the local public agency shall have first made public, in such form and manner as may be prescribed by the Administrator, (1) the name of the redeveloper, together with the names of its officers and principal members, shareholders and investors, and other interested parties, (2) the redeveloper's estimate of the cost of any residential redevelopment and rehabilitation, and (3) the redeveloper's estimate of rentals and sales prices of any proposed housing involved in such redevelopment and rehabilitation: *Provided*, That nothing in this subsection shall constitute a basis for contesting the conveyance of, or title to, such land. (July 15, 1949, ch. 338, title I, § 105, 63 Stat. 416; Aug. 2, 1954, ch. 649, title III, § 307, 68 Stat. 625; Aug. 7, 1956, ch. 1029, title III, § 302(a)(1), 70 Stat. 1097; Sept. 23, 1959, Pub. L. 86-372, title IV, §§ 406, 407, 73 Stat. 673; June 30, 1961, Pub. L. 87-70, title III, § 315, 75 Stat. 172; Sept. 2, 1964, Pub. L. 88-560, title III, § 305(a)(1), (b), 78 Stat. 786.)

AMENDMENTS

1964—Subsec. (c). Pub. L. 88-560, § 305(a)(1), (b), substituted "Individuals and families" for "families" wherever appearing, and provided that the Administrator shall require a relocation assistance program for each urban renewal project involving displacement of families, individuals and business concerns, to determine needs for assistance, provide information to minimize hardships, and to assure coordination of relocation activities with other project activities and governmental actions which may affect the relocation program.

1961—Subsec. (a). Pub. L. 87-70 inserted cl. (iv).

1959—Subsec. (b). Pub. L. 86-372, § 406, inserted proviso authorizing Federal agencies, with respect to any improvements of a type which they are otherwise authorized to undertake, to become obligated in accordance with this subsection.

Subsec. (e). Pub. L. 86-372, § 407, added subsec. (e).

1956—Subsec. (a). Act Aug. 7, 1956, eliminated "(including any redevelopment plan constituting a part thereof)" following the words "The urban renewal plan".

1954—Opening clause. Act Aug. 2, 1954, § 307(1), substituted "Contracts for loans or capital grants" for "Contracts for financial aid" in the opening clause.

Subsecs. (a) and (b). Act Aug. 2, 1954, § 307(2), substituted references to "urban renewal plan" for "redevelopment plan" in certain places, thus embracing the additional rehabilitation and conservation activities authorized by this subchapter as amended by such act.

Subsec. (c). Act Aug. 2, 1954, § 307(3), (4), substituted "urban renewal" for "project" wherever the latter term appeared, and struck out the proviso which restricted the demolition of residential structures with respect to contracts entered into prior to July 1, 1951, "in view of the existing acute housing shortage".

RELOCATION OF DISPLACED INDIVIDUALS

Section 305(a)(2) of Pub. L. 88-560 provided that: "The requirement imposed by the amendments made by paragraph (1) [which substituted "Individuals and families" for "families" wherever appearing in subsec. (c)] shall not be applicable to any project receiving Federal recognition prior to the date of the enactment of this Act [Sept. 2, 1964]."

CROSS REFERENCES

"Public hearing" requirements of subsection (d) of this section as not applicable to disaster areas, see section 1462 of this title.

"Relocation" requirements of subsection (c) of this section not applicable to disaster areas, see section 1462 of this title.

Urban renewal plan, requirement of conformance to a general plan of the locality not applicable to disaster areas, see section 1462 of this title.

§ 1455a. Submission of specifications by applicants.

Every contract for a loan, grant, or contribution under this subchapter, for the construction of a project shall require the submission of specifications with respect to such construction prior to the authorization for the award of the construction contract and the submission of data with respect to the acquisition of land prior to the authorization to acquire such land. (Aug. 2, 1954, ch. 649, title VIII, § 815, 68 Stat. 647.)

CODIFICATION

Section was enacted as a part of the Housing Act of 1954, and not as a part of the Housing Act of 1949, which comprises this chapter. In so far as section 815 of the Housing Act of 1954 (act Aug. 2, 1954) related to the United States Housing Act of 1937, it is set out as section 141d of this title.

§ 1456. Administrator's powers and duties.

(a) Appointment of Director; preparation and submission of annual budget; maintenance and audit of accounts.

In the performance of, and with respect to, the functions, powers, and duties vested in him by this

subchapter, the Administrator, notwithstanding the provisions of any other law, shall—

(1) appoint a Director to administer the provisions of this subchapter under the direction and supervision of the Administrator and the basic rate of compensation of such position shall be the same as the basic rate of compensation established for the heads of the constituent agencies of the Housing and Home Finance Agency;

(2) prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act, as amended;

(3) maintain an integral set of accounts which shall be audited annually by the General Accounting Office in accordance with the principles and procedures applicable to commercial transactions as provided by the Government Corporation Control Act, as amended, and no other audit shall be required: *Provided*, That such financial transactions of the Administrator as the making of advances of funds, loans, or grants and vouchers approved by the Administrator in connection with such financial transactions shall be final and conclusive upon all officers of the Government.

(4) Repealed. Aug. 2, 1954, ch. 649, title VIII, § 802 (e), 68 Stat. 643.

(b) Deposit of funds; use of assets and receipts.

Funds made available to the Administrator pursuant to the provisions of this subchapter shall be deposited in a checking account or accounts with the Treasurer of the United States. Receipts and assets obtained or held by the Administrator in connection with the performance of his functions under this subchapter shall be available for any of the purposes of this subchapter (except for grants pursuant to section 1453 of this title), and all funds available for carrying out the functions of the Administrator under this subchapter (including appropriations therefor, which are authorized), shall be available, in such amounts as may from year to year be authorized by the Congress, for the administrative expenses of the Administrator in connection with the performance of such functions: *Provided*, That necessary expenses of inspections and audits, and of providing representatives at the site, of projects being planned or undertaken by local public agencies pursuant to this subchapter shall be compensated by such agencies by the payment of fixed fees which in the aggregate will cover the costs of rendering such services, and such expenses shall be considered nonadministrative; and for the purpose of providing such inspections and audits and of providing representatives at the sites, the Administrator may utilize any agency and such agency may accept reimbursement or payment for such services from such local public agencies or the Administrator, and credit such amounts to the appropriations or funds against which such charges have been made.

(c) Specific powers, duties, and liabilities.

In the performance of, and with respect to, the functions, powers, and duties vested in him by this subchapter, the Administrator, notwithstanding the provisions of any other law, may—

(1) sue and be sued;

(2) foreclose on any property or commence any action to protect or enforce any right conferred upon him by any law, contract, or other agreement, and bid for and purchase at any foreclosure or any other sale any project or part thereof in connection with which he has made a loan or capital grant pursuant to this subchapter. In the event of any such acquisition, the Administrator may, notwithstanding any other provision of law relating to the acquisition, handling, or disposal of real property by the United States, complete, administer, dispose of, and otherwise deal with, such project or part thereof: *Provided*, That any such acquisition of real property shall not deprive any State or political subdivision thereof of its civil jurisdiction in and over such property or impair the civil rights under the State or local laws of the inhabitants on such property;

(3) enter into agreements to pay annual sums in lieu of taxes to any State or local taxing authority with respect to any real property so acquired or owned, and such sums shall approximate the taxes which would be paid upon such property to the State or local taxing authority, as the case may be, if such property were not exempt from taxation;

(4) sell or exchange at public or private sale, or lease, real or personal property, and sell or exchange any securities or obligations, upon such terms as he may fix;

(5) obtain insurance against loss in connection with property and other assets held;

(6) subject to the specific limitations in this subchapter, consent to the modification, with respect to rate of interest, time of payment of any instalment of principal or interest, security, amount of grant, or any other term, of any contract or agreement to which he is a party or which has been transferred to him pursuant to this subchapter;

(7) include in any contract or instrument made pursuant to this subchapter such other covenants, conditions, or provisions (including such covenants, conditions, or provisions as, in the determination of the Administrator, are necessary or desirable to prevent the payment of excessive prices for the acquisition of land in connection with projects assisted under this subchapter) as he may deem necessary to assure that the purposes of this subchapter will be achieved. No provision of this subchapter shall be construed or administered to permit speculation in land holding; and

(8) make advance or progress payments on account of any grant contracted to be made pursuant to this subchapter, notwithstanding the provisions of section 529 of Title 31, or any other provisions of this subchapter.

(d) Service and supply contracts.

Section 5 of Title 41 shall not apply to any contract for services or supplies on account of any property acquired pursuant to this subchapter if the amount of such contract does not exceed \$1,000.

(e) Limitation on expenditures within one State.

Not more than 12½ per centum of the grant funds provided for in this subchapter shall be expended in any one State: *Provided*, That the Administrator, without regard to such limitation, may enter into contracts for grants aggregating not to exceed \$100,000,000 (subject to the total authorization provided in section 1453(b) of this title) with local public agencies in States where more than two-thirds of the maximum grants permitted in the respective State under this subsection has been obligated.

(f) Repealed. Pub. L. 88-560, title III, § 310(c), Sept. 2, 1964, 78 Stat. 790.

(g) Construction of hotels and other transient housing.

No provision permitting the new construction of hotels or other housing for transient use in the redevelopment of any urban renewal area under this subchapter shall be included in the urban renewal plan unless the community in which the project is located, under regulations prescribed by the Administrator, has caused to be made a competent independent analysis of the local supply of transient housing and as a result thereof has determined that there exists in the area a need for additional units of such housing. (July 15, 1949, ch. 338, title I, § 106, 63 Stat. 417; June 3, 1952, ch. 362, 66 Stat. 98; June 30, 1953, ch. 170, § 22, 67 Stat. 127; Aug. 2, 1954, ch. 649, title III, § 308, title VIII, § 802(e), 68 Stat. 625, 643; Aug. 11, 1955, ch. 783, title I, § 106(b), 69 Stat. 637; Aug. 7, 1956, ch. 1029, title III, § 304, 305, 70 Stat. 1100; July 12, 1957, Pub. L. 85-104, title III, §§ 303, 304, 71 Stat. 300; Sept. 23, 1959, Pub. L. 86-372, title IV, §§ 408, 409(a)(1), (b), 410, 417(1), 73 Stat. 673, 674, 676; June 30, 1961, Pub. L. 87-70, title III, § 304, 75 Stat. 167; Sept. 2, 1964, Pub. L. 88-560, title III, § 310(c), 78 Stat. 790.)

REFERENCES IN TEXT

The Government Corporation Control Act, as amended, referred to in subsection (a) (2), (3), is classified to chapter 14 of Title 31, Money and Finance.

AMENDMENTS

1964—Subsec. (f). Pub. L. 88-560 deleted subsec. (f) which related to relocation payments and to contract provisions.

1961—Subsec. (f)(2). Pub. L. 87-70 included payments to nonprofit organizations, substituted "\$3,000 (or, if greater, the total certified actual moving expenses) in the case of a business concern or nonprofit organization" for "\$3,000 in the case of a business concern", and inserted words "and actual direct losses of property" following "necessary moving expenses."

1959—Subsec. (a)(3). Pub. L. 86-372, § 417(1), substituted "or grants and vouchers" for "or capital grants and vouchers."

Subsec. (b). Pub. L. 86-372, § 417(1), substituted "except for grants" for "except for capital grants."

Subsec. (c)(6). Pub. L. 86-372, § 417(1), substituted "amount of grant" for "amount of capital grant."

Subsec. (c)(8). Pub. L. 86-372, § 417(1), substituted "any grant contracted" for "any capital grant contracted."

Subsec. (e). Pub. L. 86-372, §§ 408, 417(1), substituted "Not more than 12½ per centum of the grant funds provided for in this subchapter shall be expended" for "Not more than 12½ per centum of the funds provided for in this subchapter, either in the form of loans or grants, shall be expended", "contracts for grants" for "contracts for capital grants", and "maximum grants" for "maximum capital grants."

Subsec. (f)(2). Pub. L. 86-372, §§ 409(a)(1), (b), substituted provisions defining relocation payments as

payments by a local public agency resulting from displacement from an urban renewal area made necessary by the acquisition of real property by a local public agency or by any other public body, by code enforcement activities undertaken in connection with an urban renewal project, or by a program of voluntary rehabilitation of buildings or other improvements in accordance with an urban renewal plan for provisions which defined relocation payments as payments by a local public agency resulting from displacement by an urban renewal project included in an urban renewal area respecting which a contract for capital grant has been executed under this subchapter, inserted proviso prohibiting such payments after completion of the project or if completion is deferred solely for the purpose of obtaining further relocation payments, and increased the maximum payments for individuals and families from \$100 to \$200 and for business concerns from \$2,500 to \$3,000.

Subsec. (g). Pub. L. 86-372, § 410, added subsec. (g). 1957—Subsec. (e). Pub. L. 85-104, § 303, substituted "12½ per centum" for "10 per centum".

Subsec. (f)(2). Pub. L. 85-104, § 304, increased maximum business relocation payments from \$2,000 to \$2,500 and authorized payments to individuals and families of fixed amounts in lieu of their reasonable moving expenses.

1956—Subsec. (e). Act Aug. 7, 1956, § 304, substituted "\$100,000,000" for "\$70,000,000".

Subsec. (f). Act Aug. 7, 1956, § 305.

1955—Subsec. (e). Act Aug. 11, 1955, increased the limitation on contracts for capital grants from \$35,000,000, to \$70,000,000.

1954—Act Aug. 2, 1954, § 802(e), repealed former subsec. (a)(4), which related to submission of annual reports to the President and Congress. See section 1701(o) of Title 12, Banks and Banking.

Subsec. (b). Act Aug. 2, 1954, § 308, added the proviso relating to necessary expenses of inspections and audits, and to providing representatives at the site, of projects.

1953—Subsec. (e). Act June 30, 1953, added the proviso.

1952—Subsec. (c). Act June 3, 1952, added paragraph (8).

RELOCATION PAYMENTS FOR EXPENSES OR LOSSES INCURRED PRIOR TO SEPT. 23, 1959

Section 409(a)(2) of Pub. L. 86-372 provided that: "No relocation payments under section 106(f) of the Housing Act of 1949 [subsec. (f) of this section] shall be made for expenses or losses incurred prior to the date of the enactment of the Housing Act of 1959 [Sept. 23, 1959], except to the extent that such payments were authorized by such section as it existed prior to such date."

FEDERAL RULES OF CIVIL PROCEDURE

Capacity to sue or be sued, see rule 17 (b), Title 28, Appendix, Judiciary and Judicial Procedure.

§ 1457. Property to be used for public housing or housing for moderate income families or individuals.

(a) Upon approval of the Administrator and subject to such conditions as he may determine to be in the public interest, any real property held as part of an urban renewal project may be made available to (1) a limited dividend corporation, nonprofit corporation or association, cooperative, or public body or agency, or (2) a purchaser who would be eligible for a mortgage insured under section 17151 (d)(3) or (d)(4) of Title 12, for purchase at fair value for use by such purchaser in the provision of new or rehabilitated rental or cooperative housing for occupancy by families or individuals of moderate income.

(b) When it appears in the public interest that real property acquired as part of an urban renewal project should be used in whole or in part for a low-rent housing project assisted under the United

States Housing Act of 1937, or under a State or local program found by the Administrator to have the same general purposes as the Federal program under such Act, the property shall be made available to the public housing agency undertaking the low-rent housing project at a price equal to its fair value, as determined in accordance with subsection (a), of this section, and such amount shall be included as part of the development cost of such low-rent housing project: *Provided*, That the local contribution in the form of tax exemption or tax remission required by section 1410(h) of this title, or by analogous provisions in legislation authorizing such State or local program, with respect to the low-rent housing project into which such property was incorporated on or after September 23, 1959, shall (if covered by a contract which, in the determination of the Public Housing Commissioner, will assure that such local contribution will be made during the entire period that the project is used as low-rent housing within the meaning of such Act, or by provisions found by the Administrator to give equivalent assurance in the case of State or local programs) be accepted as a local grant-in-aid equal in amount, as determined by the Administrator, to one-half (or one-third in the case of an urban renewal project on a three-fourths capital grant basis) of the difference between the cost of such property (including costs of land, clearance, site improvements, and a share, prorated on an area basis, of administrative, interest, and other project costs) and its sales price, and shall be considered a local grant-in-aid furnished in a form other than cash within the meaning of section 1460(d) of this title. (July 15, 1949, ch. 338, title I, § 107, 63 Stat. 419; Aug. 2, 1954, ch. 649, title III, § 309, 68 Stat. 626; Sept. 23, 1959, Pub. L. 86-372, title IV, § 411, 73 Stat. 674; June 30, 1961, Pub. L. 87-70, title III, § 306(a), 75 Stat. 169; Sept. 2, 1964, Pub. L. 88-560, title III, § 306, 78 Stat. 786.)

REFERENCES IN TEXT

The United States Housing Act of 1937, as amended, referred to in the text, is classified to chapter 8 of this title.

AMENDMENTS

1964—Pub. L. 88-560 provided that property held as part of an urban renewal project may be made available to purchasers eligible for a mortgage insured under section 1715i (d) (3) of Title 12, and that the price of property made available to a public housing agency undertaking the construction of a low-rent housing project shall be equal to its fair value as determined in accordance with subsec. (a) of this section, and eliminated provisions setting the price of the site to be made available to the public housing agency undertaking the low-rent housing project equal to the fair value of land to a private redeveloper who wants a site in the community for private rental housing with physical characteristics similar to those of the low-rent project and including such amount as part of the development cost of the low-rent project.

1961—Pub. L. 87-70 substituted "Property to be used for public housing or housing for moderate income families" for "Payment for land used in low-rent housing projects" in the section catchline, designated existing provisions as subsec. (a), substituted therein "land acquired as a part of an urban renewal project" for "land to be acquired as a part of an urban renewal project", and "was incorporated on or after September 23, 1959," for "is incorporated", and added subsec. (b).

1959—Pub. L. 86-372 substituted "When it appears in the public interest that land to be acquired as part of an urban renewal project should be used in whole

or in part as a site for a low-rent housing project assisted under the United States Housing Act of 1937, as amended, or under a State or local program found by the Administrator to have the same general purposes as the Federal program under such Act, the site shall be made available to the public housing agency undertaking the low-rent housing project at a price equal to the fair value of land to a private redeveloper who wants to buy a site in the community for private rental housing with physical characteristics similar to those of the proposed low-rent housing project" for "If the land for a low-rent housing project assisted under the United States Housing Act of 1937, as amended, is made available from a project assisted under this subchapter, payment equal to the fair value of the land for the uses specified in accordance with the urban renewal plan shall be made therefor by the public housing agency undertaking the housing project", and inserted proviso relating to tax exemption and tax remission.

1954—Act Aug. 2, 1954, substituted "urban renewal plan" for "redevelopment plan."

§ 1458. Disposition of surplus Federal real property; sale at fair market value; disposition of proceeds.

The President may at any time in his discretion, transfer, or cause to be transferred, to the Administrator any right, title, or interest held by the Federal Government or any department or agency thereof in any land (including buildings thereon) which is surplus to the needs of the Government and which a local public agency certifies will be within the area of a project being planned by it. When such land is sold to the local public agency by the Administrator, it shall be sold at a price equal to its fair market value, and the proceeds from such sale shall be covered into the Treasury as miscellaneous receipts. (July 15, 1949, ch. 338, title I, § 108, 63 Stat. 419.)

DELEGATION OF FUNCTIONS

For delegation of functions, vested in the President by this section, to the Director of the Bureau of the Budget, see section 1 (n) of Ex. Ord. No. 10530, May 11, 1954, 19 F. R. 2709, set out as a note under section 301 of Title 3, The President.

CROSS REFERENCES

Disposition of surplus property, see section 434 of Title 40, Public Buildings, Property, and Works.

Proceeds from transfer, sale, etc. of property, see section 485 of Title 40.

§ 1459. Protection of labor standards.

In order to protect labor standards—

(a) any contract for loan or capital grant pursuant to this subchapter shall contain a provision requiring that not less than the salaries prevailing in the locality, as determined or adopted (subsequent to a determination under applicable State or local law) by the Administrator, shall be paid to all architects, technical engineers, draftsmen, and technicians employed in the development of the project involved and shall also contain a provision that not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act, shall be paid to all laborers and mechanics, except such laborers or mechanics who are employees of municipalities or other local public bodies, employed in the development of the project involved for work financed in whole or in part with funds made available pursuant to this subchapter; and the Administrator shall require certification as to compliance with the provisions of this paragraph prior to making any payment under such contract; and

(b) the provisions of section 874 of Title 18, and of section 276c of Title 40, shall apply to work financed in whole or in part with funds made available for the development of a project pursuant to this subchapter. (July 15, 1949, ch. 338, title I, § 109, 63 Stat. 419; Aug. 2, 1954, ch. 649, title III, § 310, 68 Stat. 626.)

REFERENCES IN TEXT

The Davis-Bacon Act, referred to in subsection (a), is classified to sections 276a to 276a-5 of Title 40, Public Buildings, Property, and Works.

AMENDMENTS

1954—Subsec. (a). Act Aug. 2, 1954, made it clear that the labor standards apply only to development work financed in whole or in part with funds under this subchapter, and excepted from the prevailing wage requirements laborers or mechanics who are employees of municipalities or other local public bodies.

Subsec. (b). Act Aug. 2, 1954, substituted "work financed in whole or in part with funds made available for the development of a project pursuant to this subchapter" for "any project financed in whole or in part with funds made available pursuant to this subchapter".

Former subsec. (c): Act Aug. 2, 1954, in a general amendment of the section, omitted former subsec. (c) which required contractors to submit monthly reports to the Secretary of Labor.

ENFORCEMENT OF LABOR STANDARDS

Labor standards under provisions of this section to be prescribed and enforced by Secretary of Labor, see 1950 Reorg. Plan No. 14, eff. May 24, 1950, 15 F. R. 3176, 64 Stat. 1267, set out in note under section 133z-15 of Title 5, Executive Departments and Government Officers and Employees.

§ 1460. Definitions.

The following terms shall have the meanings, respectively, ascribed to them below, and, unless the context clearly indicates otherwise, shall include the plural as well as the singular number:

(a) "Urban renewal area" means a slum area or a blighted, deteriorated, or deteriorating area in the locality involved which the Administrator approves as appropriate for an urban renewal project.

(b) "Urban renewal plan" means a plan, as it exists from time to time, for an urban renewal project, which plan (1) shall conform to the general plan of the locality as a whole and to the workable program referred to in section 1451 of this title and shall be consistent with definite local objectives respecting appropriate land uses, improved traffic, public transportation, public utilities, recreational and community facilities, and other public improvements; and (2) shall be sufficiently complete to indicate, to the extent required by the Administrator for the making of loans and grants under this subchapter, such lands acquisition, demolition, and removal of structures, redevelopment, improvements, and rehabilitation as may be proposed to be carried out in the urban renewal area, zoning and planning changes, if any, land uses, maximum densities, and building requirements.

(c) "Urban renewal project" or "project" may include undertakings and activities of a local public agency in an urban renewal area for the elimination and for the prevention of the development or spread of slums and blight, and may involve slum clearance and redevelopment in an urban renewal area, or rehabilitation or conservation in an urban renewal area, or a program of code enforcement in

an urban renewal area, or any combination or part thereof, in accordance with such urban renewal plan. Such undertakings and activities may include—

(1) acquisition of (i) a slum area or a deteriorated or deteriorating area, or (ii) land which is predominantly open and which because of obsolete platting, diversity of ownership, deterioration of structures or of site improvements, or otherwise, substantially impairs or arrests the sound growth of the community, or (iii) open land necessary for sound community growth which is to be developed for predominantly residential uses, or (iv) air rights in an area consisting principally of land in highways, railway or subway tracks, bridge or tunnel entrances, or other similar facilities which have a blighting influence on the surrounding area and over which air rights sites are to be developed for the elimination of such blighting influences and for the provision of housing (and related facilities and uses) designed specifically for, and limited to, families and individuals of low or moderate income: *Provided*, That the requirement in paragraph (a) of this section that the area be a slum area or a blighted, deteriorated or deteriorating area shall not be applicable in the case of projects under clauses (iii) and (iv) hereof: *Provided further*, That the aggregate amount of capital grants for projects under clause (iv) shall not exceed 5 per centum of the aggregate amount of grants authorized by this subchapter to be contracted for after September 2, 1964;

(2) demolition and removal of buildings and improvements;

(3) installation, construction, or reconstruction of streets, utilities, parks, playgrounds, and other improvements necessary for carrying out in the urban renewal area the urban renewal objectives of this subchapter in accordance with the urban renewal plan;

(4) disposition of any property acquired in the urban renewal area (including sale, leasing or retention by the local public agency itself) at its fair value for uses in accordance with the urban renewal plan or as provided in section 1457 of the title;

(5) carrying out plans for programs of code enforcement or voluntary repair and rehabilitation of buildings or other improvements in accordance with the urban renewal plan: *Provided*, That no program of code enforcement shall be included as part of an urban renewal project unless the locality shall agree to increase its total expenditures with respect to code enforcement, during the period such project is under contract for a loan or capital grant, by an amount equal to the required local grants-in-aid with respect to the code enforcement included as part of such project;

(6) acquisition of any other real property in the urban renewal area where necessary to eliminate unhealthful, insanitary or unsafe conditions, lessen density, eliminate obsolete or other uses detrimental to the public welfare, or otherwise

to remove or prevent the spread of blight or deterioration, or to provide land for needed public facilities;

(7) construction of foundations and platforms necessary for the provision on air rights sites of housing (and related facilities and uses) designed specifically for, and limited to, families and individuals of low or moderate income; and

(8) acquisition and repair or rehabilitation for guidance purposes, and resale by the local public agency, of structures which are located in the urban renewal area and which, under the urban renewal plan, are to be repaired or rehabilitated for dwelling use or related facilities: *Provided*, That the local public agency shall not acquire for such purposes, in any urban renewal area, structures which contain or will contain more than (A) one hundred dwelling units, or (B) 5 per centum of the total number of dwelling units in such area which, under the urban renewal plan, are to be repaired or rehabilitated, whichever is the lesser.

Notwithstanding any other provision of this subchapter, no contract shall be entered into for any loan or capital grant under this subchapter for any project which provides for demolition and removal of buildings and improvements unless the Administrator determines that the objectives of the urban renewal plan could not be achieved through rehabilitation of the project area.

For the purposes of this subchapter, the term "project" shall not include (except as provided in paragraphs (7) and (8) above) the construction or improvement of any building, and the term "redevelopment" and derivatives thereof shall mean development as well as redevelopment. For any of the purposes of section 1459 of this title, the term "project" shall not include any donations or provisions made as local grants-in-aid and eligible as such pursuant to clauses (2) and (3) of subsection 1460(d) of this title.

Financial assistance shall not be extended under this subchapter with respect to any urban renewal area which is not predominantly residential in character and which, under the urban renewal plan therefor, is not to be redeveloped for predominantly residential uses: *Provided*, That, if the governing body of the local public agency determines that the redevelopment of such an area for predominantly nonresidential uses is necessary for the proper development of the community, the Administrator may extend financial assistance under this subchapter for such a project: *Provided further*, That the aggregate amount of capital grants contracted to be made pursuant to this subchapter with respect to such projects after September 23, 1959 shall not exceed 30 per centum of the aggregate amount of grants authorized by this subchapter to be contracted for after such date.

In addition to all other powers hereunder vested, where land within the purview of clause (1) (ii) or (1) (iii) of the first paragraph of this subsection (whether it be predominantly residential or nonresidential in character) is to be redeveloped for predominantly nonresidential uses, loans and advances under this subchapter may be extended therefor if the governing body of the local public agency

determines that such redevelopment for predominantly nonresidential uses is necessary and appropriate to facilitate the proper growth and development of the community in accordance with sound planning standards and local community objectives and to afford maximum opportunity for the redevelopment of the project area by private enterprise: *Provided*, That loans and outstanding advances to any local public agency pursuant to the authorization of this sentence shall not exceed 2½ per centum of the estimated gross project costs of the projects undertaken under other contracts with such local public agency pursuant to this subchapter.

(d) "Local grants-in-aid" shall mean assistance by a State, municipality, or other public body, or (in the case of cash grants or donations of land or other real property) any other entity, in connection with any project on which a contract for capital grant has been made under this subchapter, in the form of (1) cash grants to defray expenditures within the purview of subsection (e) (1) of this section; (2) donations, at cash value, of land or other real property (exclusive of land in streets, alleys, and other public rights-of-way which may be vacated in connection with the project, or of air rights over streets, alleys, and other public rights-of-way) in the urban renewal area, and demolition, removal, or other work or improvements in the urban renewal area, at the cost thereof, of the types described in clause (2) and clause (3) of the second sentence of subsection (c) of this section; and (3) the provision, at their cost, of public buildings or other public facilities (other than publicly owned housing and revenue producing public utilities the capital cost of which is wholly financed with local bonds or obligations payable solely out of revenues derived from service charges) which are necessary for carrying out in the area the urban renewal objectives of this subchapter in accordance with the urban renewal plan: *Provided*, That in any case where, in the determination of the Administrator, any park, playground, public building, or other public facility is of direct benefit both to the urban renewal area and to other areas, and the approximate degree of the benefit to such other areas is estimated by the Administrator at 20 per centum or more of the total benefits, the Administrator shall provide that, for the purpose of computing the amount of the local grants-in-aid for the project, there shall be included only such portion of the cost of such facility as the Administrator estimates to be proportionate to the approximate degree of the benefit of such facility to the urban renewal area: *And provided further*, That for the purpose of computing the amount of local grants-in-aid under this subsection with respect to any project covered by a Federal-aid contract under this subchapter, the estimated cost (as determined by the Administrator) of parks, playgrounds, public buildings, or other public facilities may be deemed to be the actual cost thereof if (i) the construction or provision thereof is not completed at the time of final disposition of land in the project to be acquired and disposed of under the urban renewal plan, and (ii) the Administrator has received assurances satisfactory to him that such park, play-

ground, public building, or other public facility will be constructed or completed when needed and within a time prescribed by him: *And provided further*, That in any case where a public facility furnished as a local grant-in-aid is financed in whole or in part by special assessments against real property in the project area acquired by the local public agency as part of the project, an amount equal to the total special assessments against such real property (or, in the case of a computation pursuant to the proviso immediately preceding, the estimated amount of such total special assessments) shall be deducted from the cost of such facility for the purpose of computing the amount of the local grants-in-aid for the project. With respect to any demolition or removal work, improvement or facility for which a State, municipality, or other public body has received or has contracted to receive any grant or subsidy from the United States, or any agency or instrumentality thereof, the portion of the cost thereof defrayed or estimated by the Administrator to be defrayed with such subsidy or grant shall not be eligible for inclusion as a local grant-in-aid.

Notwithstanding any other provision of this subsection, no donation or provision of a public improvement or public facility of a type falling within the purview of this subsection shall be deemed to be ineligible as a local grant-in-aid for any project solely on the basis that the construction of such improvement or facility was commenced without notification to the Administrator or prior to Federal recognition of such project, if such construction was commenced not more than three years prior to the authorization by the Administrator of a contract for loan or capital grant for the project.

(e) "Gross project cost" shall comprise (1) the amount of the expenditures by the local public agency with respect to any and all undertakings necessary to carry out the project (including the payment of carrying charges, but not beyond the point where the project is completed), and (2) the amount of such local grants-in-aid as are furnished in forms other than cash. There may be included as part of the gross project cost, under any contract for loan or grant heretofore or hereafter executed under this subchapter with respect to moneys of the local public agency which are actually expended and outstanding for undertakings (other than in the form of local grants-in-aid) necessary to carry out the project, in the absence of carrying charges on such moneys, an amount in lieu of carrying charges which might otherwise have been payable thereon for the period such moneys are expended and outstanding but not beyond the point where the project is completed, computed for each six-month period or portion thereof, at an interest rate to be determined by the Administrator after taking into consideration for each preceding six-month period the average interest rate borne by any obligations of local public agencies for short-term funds obtained from sources other than the Federal Government in the manner provided in section 1452(c) of this title: *Provided*, That such amount may be computed on the net total of all such moneys of the local public agency remaining expended and outstanding, less other moneys received from the project undertaken in excess of project expenditures, in

all projects of the local public agency under this subchapter, and allocated, as the Administrator may determine, to each of such projects. With respect to a project for which a contract for capital grant has been executed on a three-fourths basis pursuant to section 1453(a) (2) (C) of this title, gross project cost shall include, in lieu of the amount specified in clause (1) above, the amount of the expenditures by the local public agency with respect to the following undertakings and activities necessary to carry out such project:

(i) acquisition of land (but only to the extent of the consideration paid to the owner and not title, appraisal, negotiating, legal, or any other expenditures of the local public agency incidental to acquiring land), disposition of land, demolition and removal of buildings and improvements, and site preparation and improvements, all as provided in paragraphs (1), (2), (3), (4), (6), (7), and (8) of subsection (c) of this section; and

(ii) the payment of carrying charges related to the undertakings in clause (i) (including amounts in lieu of carrying charges as determined above), exclusive of taxes and payments in lieu of taxes, but not beyond the point where such project is completed;

but not the cost of any other undertakings and activities (including, but without being limited to, the cost of surveys and plans, legal services of any kind, and all administrative and overhead expenses of the local public agency) with respect to such project. Where real property in the project area is acquired and is owned as part of the project by the local public agency and such property is not subject to ad valorem taxes by reason of its ownership by the local public agency and payments in lieu of taxes are not made on account of such property, there may (with respect to any project for which a contract of Federal assistance under this subchapter is in force or is hereafter executed, other than a project on which a contract for capital grant is made on a three-fourths basis pursuant to section 1453(a) (2) (C) of this title) be included, at the discretion of the Administrator, in gross project cost an amount equal to the ad valorem taxes which would have been levied upon such property if it had been subject to ad valorem taxes, but in all cases prorated for the period during which such property is owned by the local public agency as part of the project, and such amount shall also be considered a cash local grant-in-aid within the purview of subsection (d) of this section. Such amount, and the amount of taxes or payments in lieu of taxes included in gross project cost, shall be subject to the approval of the Administrator and such rules, regulations, limitations, and conditions as he may prescribe.

Where a project includes the acquisition of property which has been damaged because of the collapse or subsidence of underlying coal mines, or underground mine fires, and the property is to be acquired from an individual, family, business concern, or non-profit organization which was the owner of such property at the time the damage first occurred, the amount otherwise allowable as the acquisition price of such property may be increased by an amount equal to so much of any diminution in the value of

such property as is determined to be reasonably attributable to such damage and to represent an otherwise uncompensated and (but for such acquisition) uncompensable loss actually sustained by such owner.

(f) "Net project cost" shall mean the difference between the gross project cost and the aggregate of (1) the total sales prices of all land or other property sold, and (2) the total capital values (i) imputed, on a basis approved by the Administrator, to all land or other property leased, and (ii) used as a basis for determining the amounts to be transferred to the project from other funds of the local public agency to compensate for any land or other property retained by it for use in accordance with the urban renewal plan.

(g) "Going Federal rate" means (with respect to any contract for a loan or advance entered into after the first annual rate has been specified as provided in this sentence) the annual rate of interest which the Secretary of the Treasury shall specify as applicable to the six-month period (beginning with the six-month period ending December 31, 1953) during which the contract for loan or advance under this subchapter is authorized by the Administrator, which applicable rate for each six-month period shall be determined by the Secretary of the Treasury by estimating the average yield to maturity, on the basis of daily closing market bid quotations or prices during the month of May or the month of November, as the case may be, next preceding such six-month period, on all outstanding marketable obligations of the United States having a maturity date of fifteen or more years from the first day of such month of May or November, and by adjusting such estimated average annual yield to the nearest one-eighth of 1 per centum. Any contract for a loan or advance, authorized by the Administrator after September 2, 1964, shall provide for a single interest rate which shall be applicable also to future amendments of the contract which provide additional funds thereunder, and shall further provide for a periodic revision of the interest rate on the balance outstanding or to be outstanding of such loan or advance based on the going Federal rate on the date of such revision: *Provided*, That any contract for a loan or advance authorized prior to September 2, 1964 shall be amended (with the first amendment to such contract authorized after September 2, 1964) to provide for such a single interest rate (based on the going Federal rate at the time such amendment is authorized) and for periodic revision thereof.

(h) "Local public agency" means any State, county, municipality, or other governmental entity or public body, or two or more such entities or bodies, authorized to undertake the project for which assistance is sought. "State" includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the Territories and possessions of the United States.

(i) "Land" means any real property, including improved or unimproved land, structures, improvements, easements, incorporeal hereditaments, estates, and other rights in land, legal or equitable.

(j) "Administrator" means the Housing and Home Finance Administrator.

(k) "Federal recognition" means execution of any contract for financial assistance under this subchapter or concurrence by the Administrator in the commencement, without such assistance, of surveys and plans. (June 30, 1949, ch. 288, title I, § 103, 63 Stat. 380; July 15, 1949, ch. 338, title I, § 110, 63 Stat. 420; June 30, 1953, ch. 170, § 24(a), 67 Stat. 127; Aug. 2, 1954, ch. 649, title III, § 311, 68 Stat. 626; Aug. 11, 1955, ch. 783, title I, § 106(c), 69 Stat. 637; Aug. 7, 1956, ch. 1029, title III, 302(a) (2), (b)—(d), 70 Stat. 1097; July 12, 1957, Pub. L. 85-104, title III, §§ 302(3)—(5), 305, 306, 71 Stat. 300, 301; Sept. 23, 1959, Pub. L. 86-372, title IV, §§ 412-414(a), 415, 416, 417(3), 73 Stat. 675, 677; June 30, 1961, Pub. L. 87-70, title III, §§ 301(c), 306(b), 307, 308, 314(c), 75 Stat. 166, 168, 172; Sept. 2, 1964, Pub. L. 86-560, title III, §§ 301(b), (c), 303(b), 307-309, 311(a), 78 Stat. 785, 787, 788, 790.)

AMENDMENTS

1964—Subsec. (c). Pub. L. 88-560, §§ 301 (b), (c), 307, 308(b), included a program of code enforcement in an urban renewal area within "urban renewal projects", the acquisition of air rights over areas such as highways, tracks, bridge and tunnel entrances, limited the grants for projects under clause (c)(1)(iv) to not exceeding 5 percent of the amount authorized by this subchapter to be contracted for after Sept. 2, 1964, substituted "projects under clauses (iii) and (iv) hereof" for "an open land project" in par. (c)(1), provided that no program of code enforcement shall be included as part of a project unless the locality agrees to increase its expenditures for code enforcement by an amount equal to the required local grants-in-aid, no contract shall be entered for any loan or grant for any project which provides for removal of buildings and improvements unless the Administrator determines that the objectives of the renewal plan could not be achieved through rehabilitation of the project area, redesignated former par. (c)(7) as (c)(8) and added par. (7).

Subsec. (d). Pub. L. 88-560, § 308(c), inserted "or of air rights over streets, alleys, and other public rights-of-way."

Subsec. (e). Pub. L. 88-560, §§ 308(d), 311(a), inserted reference to par. (8) of subsec. (c) of this section, and provided that where a project includes the acquisition of property affected by coal mine subsidence or underground mine fires and the property is to be acquired from the owner at the time the damage occurred, the acquisition price may be increased equal to the diminution of such property as is reasonably attributable to such damage and an otherwise uncompensated and uncompensable loss actually sustained by such owner.

Subsec. (g). Pub. L. 88-560, §§ 303(b), 309, provided that contracts authorized after Sept. 2, 1964, shall provide for a single interest rate applicable also to future contract amendments, for periodic revision of the interest rate on the outstanding balance based on the going Federal rate on the date of revision, and that contracts authorized prior to Sept. 2, 1964, shall be amended to provide for such single rate and for periodic revision thereof, deleted "for any project" preceding "under this subchapter is authorized by the Administrator", and provisions that contracts may be revised or superseded by later contracts so that the going Federal rate shall mean the going rate on the date the later contract is authorized.

1961—Subsec. (c). Pub. L. 87-70, §§ 306(b), 307 (a), (b), 308, 314(c), struck out the word "Initial" which preceded "leasing or retention" and inserted words "or as provided in section 1457 of this title" in par. (4), added par. (7), inserted the phrase "(except as provided in paragraph (7) above" in the third sentence, and substituted "30 per centum" for "20 per centum" in the second proviso of the fifth sentence.

Subsec. (e). Pub. L. 87-70, §§ 301(c), 307(c), substituted "pursuant to section 1453(a)(2)(C) of this title" for "pursuant to the proviso in the second sentence of section 1453(a) of this title" in the third and fourth sen-

tences, and included par. (7) of subsec. (c) of this section in cl. (1).

1959—Subsec. (b). Pub. L. 86-372, § 412, inserted words “, to the extent required by the Administrator for the making of loans and grants under this subchapter,” following “to indicate” in cl. (2).

Subsec. (c). Pub. L. 86-372, § 413, increased the limitation on the amount of capital grants for areas which are not predominantly residential from not more than 10 per centum to not more than 20 per centum of the aggregate amount of grants authorized, inserted provisions permitting assistance if the governing body of the local public agency determines that the redevelopment of such an area for predominantly non-residential uses is necessary for the proper development of the community, and eliminated provisions which authorized assistance where an area which is not clearly predominantly residential in character contains a substantial number of slum, blighted, deteriorated, or deteriorating dwellings or other living accommodations, the elimination of which would tend to promote the public health, safety, and welfare in the locality involved and such area is not appropriate for predominantly residential uses.

Subsec. (d). Pub. L. 86-372, § 414(a), added paragraph providing that no donation or provision of a public improvement or public facility of a type falling within the purview of this subsection shall be deemed to be ineligible as a local grant-in-aid for any project solely on the basis that the construction of such improvement or facility was commenced without notification to the Administrator or prior to Federal recognition of such project, if such construction was commenced not more than three years prior to the authorization by the Administrator of a contract for loan or capital grant for the project.

Subsec. (e). Pub. L. 86-372, § 415, included as part of the gross project cost an amount in lieu of carrying charges which might otherwise have been payable thereon for the period moneys of the local public agency which are actually expended and outstanding for undertakings necessary to carry out the project are expended and outstanding but not beyond the point where the project is completed.

Subsec. (g). Pub. L. 86-372, § 416, substituted “for any project under this subchapter is authorized” for “is approved”, “Any such contract” for “Any contract”, and “later contract is authorized” for “contract is revised or superseded by such later contract.”

Subsec. (k). Pub. L. 86-372, § 417(3), added subsec. (k).

1957—Subsec. (b). Pub. L. 85-104, § 305, inserted in (1), the words “and shall be consistent with definite local objectives respecting appropriate land uses, improved traffic, public transportation, public utilities, recreational and community facilities, and other public improvements”, and deleted from (2) the requirement of indicating the local objectives in the urban renewal plan itself.

Subsec. (d). Pub. L. 85-104, §§ 302(3), 306, inserted the words “to defray expenditures within the purview of subsection (e)(1) of this section” preceding the first semicolon, and inserted in the second proviso of the first sentence, the words “with respect to any project covered by a Federal-aid contract under this subchapter”.

Subsec. (e). Pub. L. 85-104, § 302 (4), (5), inserted proviso calculating gross project cost as the sum of expenditures by the local public agency to carry out the project, excluding expenditures for surveys, plans, legal services and administration, and inserted, in the second sentence, “other than a project on which a contract for capital grant is made on a three-fourths basis pursuant to the proviso in the second sentence of section 1453(a) of this title”.

1956—Subsec. (b). Act Aug. 7, 1956, § 302(a) (2), inserted “and” after the semicolon at the end of clause (1), and eliminated “; and (3) shall include, for any part of the urban renewal area proposed to be acquired and redeveloped in accordance with clause (1) of the second sentence of subsection (c) of this section, a redevelopment plan approved by the governing body of the locality”, substituting a period therefor.

Subsec. (c) Act Aug. 7, 1956, § 302(b) (1), consolidated provisions relating to slum clearance redevelopment with those relating to rehabilitation and conservation, and made applicable to an urban renewal area the requirement that an urban redevelopment area either be predominantly residential to begin with or else be redeveloped for predominantly residential uses.

Subsec. (d). Act Aug. 7, 1956, § 302(b) (2), (c), substituted in clause (2) of the first sentence, “the second sentence” for “either the second or third sentence”, eliminated the phrase “, public facilities financed by special assessments against land in the project area,” in clause (3) preceding “and revenue producing public utilities”, and added proviso deducting from the cost of facilities, for the purpose of computing the local grant-in-aid, an amount equal to the special assessments against land in the project area which is acquired by the local public agency as part of the project.

Subsec. (e). Act Aug. 7, 1956, § 302(d), added provisions allowing communities which do not receive taxes or payments in lieu of taxes for land in the project area, to include in gross project cost an amount equal to the ad valorem taxes which would have been levied upon such property if it had been subject to ad valorem taxes, and that in calculating the amount allowable, the amount would be prorated for the period during which the property is owned by the local public agency as part of the project and inclusion of any such payments in gross project costs shall be subject to the approval of the Housing Administrator.

1955—Subsec. (c). Act Aug. 11, 1955, authorized loans and advances where land is to be redeveloped for predominantly nonresidential uses.

1954—Act Aug. 2, 1954, added more definitions, and redefined some of the terms used in this subchapter, in view of the general amendment of this subchapter by act Aug. 2, 1954.

1953—Subsec. (g). Act June 30, 1953, caused the minimum base interest rate, under the definition of “Going Federal rate”, to:

1. Reflect market yields on Government bonds, instead of interest rates specified in the bonds when issued;
2. Reflect the yield on obligations of the United States having 15 years or more to run to maturity, instead of the rate on a bond which could have a maturity as low as 10 years;
3. Reflect the average yield during a full 1 month period on all outstanding obligations of the United States having 15 years or more to run to maturity, instead of the rate on a single recent issue of bonds;
4. Retain the base rate, once it was specified by the Secretary of the Treasury, instead of varying from month to month as new bonds are issued; and
5. Be adjusted to the nearest one-eighth of 1 percent.

TRANSFER OF FUNCTIONS

All functions of the Federal Works Agency and of all agencies thereof, together with all functions of the Federal Works Administrator were transferred to the Administrator of General Services by section 103 (a) of act June 30, 1949. Both the Federal Works Agency and the office of Federal Works Administrator were abolished by section 103 (b) of that act. Section 103 is set out as section 630b of Title 5, Executive Departments and Government Officers and Employees.

AMENDMENT OF CONTRACTS EXECUTED PRIOR TO SEPTEMBER 2, 1964

Section 311(b) of Pub. L. 88-560 provided that: “Any contract under title I of the Housing Act of 1949 [this subchapter] executed prior to the date of enactment of the Housing Act of 1964 [Sept. 2, 1964] may be amended to provide for payment of the increased amounts authorized under the amendment made by subsection (a) [to subsec. (e) of this section] with respect to any uncompleted project if the project includes acquisitions which, under any State or local law in effect on such date, would involve expenditures by a local public agency that could not otherwise be included in the costs of such project.”

WAIVER OF REQUIREMENTS OF SUBSECTION (d) OF THIS SECTION FOR CERTAIN ASSISTANCE PROVIDED DURING THE PERIOD FROM JULY 1, 1957, THROUGH DECEMBER 31, 1957

Section 414(b) of Pub. L. 86-372 provided that: "The requirement in section 110(d) of the Housing Act of 1949 [subsec. (d) of this section] that the assistance provided by a State, municipality, or other public body under that section, in order to qualify as a local grant-in-aid, shall be in connection with a project on which a contract for capital grant has been made under title I of that Act [this subchapter], shall not apply to assistance provided during the period from July 1, 1957, through December 31, 1957, in connection with urban renewal activities which were extended Federal recognition within sixty days after the provision of such assistance was initiated."

CROSS REFERENCES

Blighted or deteriorated area requirement, urban renewal disaster area, see section 1462 of this title.

Residential area requirement for urban renewal assistance as not applicable to disaster area, see section 1462 of this title.

Urban renewal plan, requirement of conformance to a general plan of the locality not applicable to disaster areas, see section 1462 of this title.

General Services Administration, see section 630 of Title 5, Executive Departments and Government Officers and Employees.

§ 1461. Repealed. Aug. 2, 1954, ch. 649, title III, § 313, 68 Stat. 629.

Section, acts July 31, 1953, ch. 302, title I, § 101, 67 Stat. 305; June 24, 1954, ch. 359, title I, § 101, 68 Stat. 283, which related to conditions precedent to approval of local slum clearance programs, is now covered by other sections in this subchapter. See, particularly, sections 1451 and 1455 of this title.

§ 1462. Disaster areas; urban renewal assistance; non-applicability of certain requirements.

Where the local governing body certifies, and the Administrator finds, that an urban area is in need of redevelopment or rehabilitation as a result of a flood, fire, hurricane, earthquake, storm, or other catastrophe which the President, pursuant to section 1855a (a) of this title, has determined to be a major disaster, the Administrator is authorized to extend financial assistance under this subchapter for an urban renewal project with respect to such area without regard to the following:

(1) the "workable program" requirement in section 1451 (c) of this title, except that any contract for temporary loan or capital grant pursuant to this section shall obligate the local public agency to comply with the "workable program" requirement in section 1451 (c) of this title by a future date determined to be reasonable by the Administrator and specified in such contract;

(2) the requirements in section 1455 (a) (iii) and section 1460 (b) (1) of this title that the urban renewal plan conform to a general plan of the locality as a whole and to the workable program referred to in section 1451 (c) of this title;

(3) the "relocation" requirements in section 1455 (c) of this title: *Provided*, That the Administrator finds that the local public agency has presented a plan for the encouragement, to the maximum extent feasible, of the provision of dwellings suitable for the needs of families displaced by the catastrophe or by redevelopment or rehabilitation activities;

(4) the "public hearing" requirement in section 1455 (d) of this title;

(5) the requirements in sections 1452 and 1460 of this title that the urban renewal area be a slum area or a blighted, deteriorated, or deteriorating area; and

(6) the requirements in section 1460 of this title with respect to the predominantly residential character or predominantly residential reuse of urban renewal areas.

In the preparation of the urban renewal plan with respect to a project aided under this section, the local public agency shall give due regard to the removal or relocation of dwellings from the site of recurring floods or other recurring catastrophes in the project area. (July 15, 1949, ch. 338, title I, § 111, as added Aug. 7, 1956, ch. 1029, title III, § 307 (a), 70 Stat. 1101.)

§ 1463. Financial assistance for urban renewal projects in areas involving colleges, universities, or hospitals.

(a) Authorization; local grant-in-aid.

In any case where an educational institution or a hospital is located in or near an urban renewal project area and the governing body of the locality determines that, in addition to the elimination of slums and blight from such area, the undertaking of an urban renewal project in such area will further promote the public welfare and the proper development of the community (1) by making land in such area available for disposition, for uses in accordance with the urban renewal plan, to such educational institution or hospital for redevelopment in accordance with the use or uses specified in the urban renewal plan, (2) by providing, through the redevelopment of the area in accordance with the urban renewal plan, a cohesive neighborhood environment compatible with the functions and needs of such educational institution or hospital, or (3) by any combination of the foregoing, the Administrator is authorized to extend financial assistance under this subchapter for an urban renewal project in such area without regard to the requirements in section 1460 of this title with respect to the predominantly residential character or predominantly residential reuse of urban renewal areas. The aggregate expenditures made by any such institution or hospital (directly or through a private redevelopment corporation or municipal or other public corporation) for the acquisition within, adjacent to, or in the immediate vicinity of the project area, of land, buildings, and structures to be redeveloped or rehabilitated by such institution for educational uses or by such hospital for hospital uses in accordance with the urban renewal plan (or with a development plan proposed by such institution, hospital, or corporation, found acceptable by the Administrator after considering the standards specified in section 1460 (b) of this title, and approved under State or local law after public hearing) and for the demolition of such buildings and structures if, pursuant to such urban renewal or development plan, the land is to be cleared and redeveloped, and for the relocation of occupants from buildings and structures to be demolished or rehabilitated, as certified by such institution or hospital to the local public agency and approved by the Administrator, shall be a local grant-in-aid in connection with such urban renewal

project: *Provided*, That no such expenditure shall be eligible as a local grant-in-aid in any case where the property involved is acquired by such educational institution or hospital from a local public agency which, in connection with its acquisition or disposition of such property, has received, or contracted to receive, a capital grant pursuant to this subchapter.

(b) Expenditures by educational institutions and hospitals; eligibility as a local grant-in-aid.

No expenditure made by any educational institution or hospital, as provided in subsection (a) of this section shall be deemed ineligible as a local grant-in-aid (1) in connection with any urban renewal project if made not more than seven years prior to the authorization by the Administrator of a contract for a loan or capital grant for such project, or (2) in connection with any such project for which the Administrator, prior to September 25, 1963, has authorized a loan or capital grant contract if made not more than five years prior to the submission of an application for financial assistance under this subchapter for such urban renewal project.

(c) Aggregate expenditures by public authority deemed a local grant-in-aid.

The aggregate expenditures made by any public authority, established by any State, for acquisition, demolition, and relocation in connection with land, buildings, and structures acquired by such public authority and leased to an educational institution for educational uses or to a hospital for hospital uses shall be deemed a local grant-in-aid to the same extent as if such expenditures had been made directly by such educational institution or hospital.

(d) Definitions.

As used in this section—

(1) the term "educational institution" means any educational institution of higher learning, including any public educational institution or any private educational institution, no part of the net earnings of which inures to the benefit of any private shareholder or individual; and

(2) the term "hospital" means any hospital licensed by the State in which such hospital is located, including any public hospital or any non-profit hospital, no part of the net earnings of which inures to the benefit of any private shareholder or individual.

(July 15, 1949, ch. 338, title I, § 112, as added Sept. 23, 1959, Pub. L. 86-372, title IV, § 418, 73 Stat. 677, and amended June 30, 1961, Pub. L. 87-70, title III, § 309, 75 Stat. 169.)

AMENDMENTS

1961—Subsec. (a). Pub. L. 87-70 designated existing provisions as subsec. (a), authorized assistance to hospitals, provided that expenditures made through municipal or other public corporations shall be considered as local grant-in-aid, inserted the proviso stating that no expenditure shall be eligible as a local grant-in-aid in any case where the property involved is acquired by the educational institution or hospital from a local public agency which, in connection with its acquisition or disposition of such property, has received, or contracted to receive, a capital grant pursuant to this subchapter, eliminated provisions which provided that no expenditure shall be deemed ineligible as a local grant-in-aid in connection with any project if made not more than five years prior to the authorization of a contract for a loan

or capital grant for such urban renewal project, and transferred the definition of "educational institution" to subsec. (d) of this section.

Subsecs. (b)—(d). Pub. L. 87-70 added subsecs. (b)—(d).

§ 1464. Redevelopment areas.

(a) Urban renewal assistance.

Whenever the Secretary of Commerce certifies to the Administrator (1) that any county, city, or other municipality (in this section referred to as a "municipality") is situated in an area designated under section 5 of the Area Redevelopment Act as a redevelopment area, and (2) that there is a reasonable probability that with assistance provided under such Act and other undertakings the area will be able to achieve more than temporary improvement in its economy, the Administrator is authorized to provide financial assistance to a local public agency in any such municipality under this subchapter and the provisions of this section.

(b) Nonapplicability of certain requirements.

Subject to the provisions of subsection (e) of this section, the Administrator may provide such financial assistance under this section without regard to the requirement or limitations of section 1460(c) of this title that the project area be predominantly residential in character or be redeveloped for predominantly residential uses under the urban renewal plan, and without regard to any of the limitations of that section on the undertaking of projects for predominantly nonresidential uses.

(c) Disposition of lands for industrial or commercial uses; fair value; obligations of purchasers, lessees, and assignees of property.

Notwithstanding any other provision of this subchapter, a contract for financial assistance under this section may include provisions permitting the disposition of any land in the project area designated under the urban renewal plan for industrial or commercial uses to any public agency or non-profit corporation for subsequent disposition as promptly as practicable by such public agency or corporation for the redevelopment of the land in accordance with the urban renewal plan: *Provided*, That any disposition of such land to such public agency or corporation under this section shall be made at its fair value for uses in accordance with the urban renewal plan: *And provided further*, That only the purchaser from or lessees of such public agency or corporation, and their assignees, shall be required to assume the obligations relating to the commencement of improvements imposed under section 1455(b) of this title.

(d) Completion of projects notwithstanding termination of area status.

Following the execution of any contract for financial assistance under this section with respect to any project, the Administrator may exercise the authority vested in him under this section as well as other provisions of this subchapter for the completion of such projects, notwithstanding any determination made after the execution of such contract that the area in which the project is located is no longer a redevelopment area under the Area Redevelopment Act.

(e) **Limitation on expenditures; exclusion of expenditures from aggregate amount of capital grants for urban renewal projects.**

Not more than 10 per centum of the funds authorized for capital grants under section 1453 of this title after May 1, 1961, shall be used for the purpose of providing financial assistance under this section. Amounts used for such purpose shall not be taken into account for the purpose of the limitation contained in the second proviso of the fifth sentence of section 1460(c) of this title. (July 15, 1949, ch. 338, title I, § 113, as added May 1, 1961, Pub. L. 87-27, § 14, 75 Stat. 57.)

REFERENCES IN TEXT

Section 5 of the Area Redevelopment Act and such Act (meaning the Area Redevelopment Act), referred to in subsec. (a), are classified to section 2504 and chapter 28, respectively, of this title.

The Area Redevelopment Act, referred to in subsec. (d), is classified to chapter 28 of this title.

TERMINATION OF AUTHORITY

Termination of section and authority thereunder at close of June 30, 1965, see section 29(a) of Pub. L. 87-27, set out as section 2525 of this title.

§ 1465. Relocation.

(a) **Financial assistance to displaced individuals, families, businesses, and nonprofit organizations.**

Notwithstanding any other provision of this subchapter, an urban renewal project may include the making of payments as prescribed in this section to displaced individuals, families, business concerns, and nonprofit organizations; and any contract for financial assistance under this subchapter shall provide that the capital grant otherwise payable for the project shall be increased by an amount equal to such payments and that no part of the amount of such payments shall be required to be contributed as part of the local grant-in-aid. As used in this section, "displaced" refers to displacement from an urban renewal area made necessary by (1) the acquisition of real property by a local public agency or by any other public body, (2) code enforcement activities undertaken in connection with an urban renewal project, or (3) a program of voluntary rehabilitation of buildings or other improvements in accordance with an urban renewal plan.

(b) **Payments to business concerns or nonprofit organizations; considerations; maximum amounts.**

A local public agency may pay to any displaced business concern or nonprofit organization—

(1) its reasonable and necessary moving expenses and any actual direct losses of property except goodwill or profit (which are incurred on and after August 7, 1956, and for which reimbursement or compensation is not otherwise made): *Provided*, That such payment shall not exceed \$3,000 (or, if greater, the total certified actual moving expenses); and

(2) an additional \$1,500 in the case of a private business concern with average annual net earnings of less than \$10,000 per year which (A) was doing business in a location in the urban renewal area on the date of local approval of the urban renewal plan (or of acquisition of real property under the third sentence of section 1452(a) of this title, (B) is displaced on or after January 27,

1964, and (C) is not part of an enterprise having establishments outside the urban renewal area.

Notwithstanding the provisions of clause (1) of the preceding sentence, a business concern which is not being displaced from an urban renewal area shall be eligible for payments under such clause (1) of its certified actual moving expenses with respect to its outdoor advertising displays being removed from the urban renewal area in the same manner as though such business concern were being displaced.

(c) **Payments to individuals and families; considerations; computation of amount; maximum amounts; restrictions.**

(1) A local public agency may pay to any displaced individual or family his or its reasonable and necessary moving expenses and any actual direct losses of property (which are incurred on and after August 7, 1956, and for which reimbursement or compensation is not otherwise made): *Provided*, That such payment shall not exceed \$200: *And provided further*, That the Administrator may authorize payment to individuals and families of fixed amounts (not to exceed \$200 in any case) in lieu of their respective reasonable and necessary moving expenses and actual direct losses of property.

(2) A local public agency may pay (in addition to any amount under paragraph (1) of this subsection), on behalf of any displaced family or any displaced individual sixty-two years of age or over, during the first five months after displacement, a relocation adjustment payment, not to exceed \$500, to assist such displaced individual or family to acquire a decent, safe, and sanitary dwelling. The relocation adjustment payment shall be an amount which, when added to 20 per centum of the annual income of the displaced individual or family at the time of displacement, equals the average rental required, for a 12-month period, for such a decent, safe, and sanitary dwelling of modest standards adequate in size to accommodate the displaced individual or family (in the urban renewal area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities): *Provided*, That such payment shall be made only to an individual or family who is unable to secure a dwelling unit in a low-rent housing project assisted under the United States Housing Act of 1937, or under a State or local program found by the Administrator to have the same general purposes as the Federal program under such Act: *Provided further*, That payments under this paragraph shall be available only in the case of families, and individuals sixty-two years of age or over, displaced on or after January 27, 1964.

(d) **Rules and regulations; finality of administrative decisions; promptness of payments.**

The Administrator is authorized to establish such rules and regulations as he may deem appropriate in carrying out the provisions of this section and may provide in any contract with a local public agency, or in regulations promulgated by the Administrator, that determinations of any duly designated officer or agency as to eligibility for and the amount of relocation assistance authorized by this section shall be final and conclusive for any purposes and not subject to redetermination by any court or any

other officer. Such regulations shall include provisions to assure that relocation payments, as authorized by this section, shall be made as promptly as possible to all families, individuals, business concerns, and nonprofit organizations found to be eligible for such payments by reason of their having been displaced from property in the urban renewal area, without regard to any subsequent proceedings, determinations, or events relating to such property which do not bear upon whether such displacement in fact occurred. (July 15, 1949, ch. 338, title I, § 114, as added Sept. 2, 1964, Pub. L. 88-560, title III, § 310(a), 78 Stat. 788.)

REFERENCES IN TEXT

The United States Housing Act of 1937, referred to in subsec. (c), is classified to chapter 8 of this title.

AMENDMENT OF CONTRACTS EXECUTED PRIOR TO SEPTEMBER 2, 1964

Section 310(b) of Pub. L. 88-560 provided that: "Any contract with a local public agency which was executed under title I of the Housing Act of 1949 [this subchapter] before the date of the enactment of this Act [Sept. 2, 1964] may be amended to provide for payments authorized by section 114 of the Housing Act of 1949 [this section]."

SUBCHAPTER III.—FARM HOUSING

§ 1471. Financial assistance by Secretary of Agriculture; definitions; conditions of eligibility.

(a) The Secretary of Agriculture (hereinafter referred to as the "Secretary") is authorized, subject to the terms and conditions of this subchapter, to extend financial assistance, through the Farmers Home Administration, to owners of farms in the United States and in the Territories of Alaska and Hawaii and in Puerto Rico and the Virgin Islands, to enable them to construct, improve, alter, repair, or replace dwellings and other farm buildings on their farms, to provide them, their tenants, lessees, sharecroppers, and laborers with decent, safe, and sanitary living conditions and adequate farm building as specified in this subchapter, and (2) to owners of other real estate in rural areas to enable them to provide dwellings and related facilities for their own use and buildings adequate for their farming operations, and (3) to elderly persons who are or will be the owners of land in rural areas for the construction, improvement, alteration, or repair of dwellings and related facilities, the purchase of previously occupied dwellings and related facilities and the purchase of land constituting a minimum adequate site, in order to provide them with adequate dwellings and related facilities for their own use.

(b) (1) For the purpose of this subchapter, the term "farm" shall mean a parcel or parcels of land operated as a single unit which is used for the production of one or more agricultural commodities and which customarily produces or is capable of producing such commodities for sale and for home use of a gross annual value of not less than the equivalent of a gross annual value of \$400 in 1944, as determined by the Secretary. The Secretary shall promptly determine whether any parcel or parcels of land constitute a farm for the purposes of this subchapter whenever requested to do so by any interested Federal, State, or local public agency, and his determination shall be conclusive.

(2) For the purposes of this subchapter, the terms "owner", "farm", and "mortgage" shall be deemed to include, respectively, the lessee of, the land included in, and other security interest in, any leasehold interest which the Secretary determines has an unexpired term (A) in the case of a loan, for a period sufficiently beyond the repayment period of the loan to provide adequate security and a reasonable probability of accomplishing the objectives for which the loan is made, and (B) in the case of a grant for a period sufficient to accomplish the objectives for which the grant is made.

(3) For the purposes of this subchapter, the term "elderly persons" means persons who are 62 years of age or over.

(c) In order to be eligible for the assistance authorized by subsection (a) of this section, the applicant must show (1) that he is the owner of a farm which is without a decent, safe, and sanitary dwelling for himself and his family and necessary resident farm labor, or for the family of the operating tenant, lessee, or sharecropper, or without other farm buildings adequate for the type of farming in which he engages or desires to engage, or that he is the owner of other real estate in a rural area without an adequate dwelling or related facilities for his own use or buildings adequate for his farming operations, or that he is an elderly person in a rural area without an adequate dwelling or related facilities for his own use; (2) that he is without sufficient resources to provide the necessary housing and buildings on his own account; and (3) that he is unable to secure the credit necessary for such housing and buildings from other sources upon terms and conditions which he could reasonably be expected to fulfill.

(d) As used in this subchapter (except in sections 1473 and 1474(b) of this title) the terms "farm", dwellings or other essential buildings of eligible applicants. (July 15, 1949, ch. 338, title V, § 501, 63 Stat. 432; June 30, 1961, Pub. L. 87-70, title VIII, §§ 801(a), 803, 75 Stat. 186; Sept. 28, 1962, Pub. L. 87-723, § 4(a) (1), 76 Stat. 670.)

AMENDMENTS

1962—Subsec. (a). Pub. L. 87-723, § 4(a) (1) (A), added cl. (3).

Subsec. (b). Pub. L. 87-723, § 4(a) (1) (B), added par. (3).

Subsec. (c). Pub. L. 87-723, § 4(a) (1) (C), inserted provisions in cl. (1) requiring the applicant for assistance to show in the alternative that he is an elderly person in a rural area without an adequate dwelling or related facilities for his own use.

1961—Subsec. (a). Pub. L. 87-70, § 803(a), authorized assistance to owners of other real estate in rural areas to enable them to provide dwellings and related facilities for their own use and buildings adequate for their farming operations.

Subsec. (b). Pub. L. 87-70, § 801(a), designated existing provisions as par. (1) and added par. (2).

Subsec. (c). Pub. L. 87-70, § 803(b), permitted the applicant to show that he is the owner of other real estate in a rural area without an adequate dwelling or related facilities for his own use or buildings adequate for his farming operations.

Subsec. (d). Pub. L. 87-70, § 803(c), added subsec. (d).

ADMISSION OF ALASKA AND HAWAII TO STATEHOOD

Alaska was admitted into the Union on Jan. 3, 1959, upon the issuance of Proc. No. 3269, Jan. 3, 1959, 24 F.R. 81, 73 Stat. c16, and Hawaii was admitted into the Union on Aug. 21, 1959, upon the issuance of Proc. No. 3309,

Aug. 21, 1959, 24 F.R. 6868, 73 Stat. c74. For Alaska Statehood Law, see Pub. L. 85-508, July 7, 1958, 72 Stat. 339, set out as a note preceding section 21 of Title 48, Territories and Insular Possessions. For Hawaii Statehood Law, see Pub. L. 86-3, Mar. 18, 1959, 73 Stat. 4, set out as a note preceding section 491 of Title 48.

§ 1472. Loans for housing and buildings on adequate farms.

(a) Terms of loan.

If the Secretary determines that an applicant is eligible for assistance as provided in section 1471 of this title and that the applicant has the ability to repay in full the sum to be loaned, with interest, giving due consideration to the income and earning capacity of the applicant and his family from the farm and other sources, and the maintenance of a reasonable standard of living for the owner and the occupants of said farm, a loan may be made by the Secretary to said applicant for a period of not to exceed thirty-three years from the making of the loan with interest at a rate not to exceed 4 per centum per annum on the unpaid balance of principal. In cases of applicants who are elderly persons, the Secretary may accept the personal liability of any person with adequate repayment ability who will cosign the applicant's note to compensate for any deficiency in the applicant's repayment ability.

(b) Provisions of loan instrument.

The instruments under which the loan is made and the security given shall—

(1) provide for security upon the applicant's equity in the farm or such other security or collateral, if any, as may be found necessary by the Secretary reasonably to assure repayment of the indebtedness;

(2) provide for the repayment of principal and interest in accordance with schedules and repayment plans prescribed by the Secretary;

(3) contain the agreement of the borrower that he will, at the request of the Secretary, proceed with diligence to refinance the balance of the indebtedness through cooperative or other responsible private credit sources whenever the Secretary determines, in the light of the borrower's circumstances, including his earning capacity and the income from the farm, that he is able to do so upon reasonable terms and conditions;

(4) be in such form and contain such covenants as the Secretary shall prescribe to secure the payment of the loan with interest, protect the security, and assure that the farm will be maintained in repair and that waste and exhaustion of the farm will be prevented.

(July 15, 1949, ch. 338, title V, § 502, 62 Stat. 433; June 30, 1961, Pub. L. 87-70, title VIII, § 801(b), 75 Stat. 186; Sept. 28, 1962, Pub. L. 87-723, § 4(a)(2), 76 Stat. 671.)

AMENDMENTS

1962—Subsec. (a). Pub. L. 87-723 authorized the Secretary to accept, in the case of applicant's who are elderly persons, the personal liability of any person with adequate repayment ability who will cosign the applicant's note to compensate for any deficiency in the applicant's repayment ability.

1961—Subsec. (b)(1). Pub. L. 87-70 substituted "or such other security" for "and such additional security."

§ 1473. Loans for housing and buildings on potentially adequate farms; conditions and terms.

If the Secretary determines (a) that, because of the inadequacy of the income of an eligible applicant from the farm to be improved and from other sources, said applicant may not reasonably be expected to make annual repayments of principal and interest in an amount sufficient to repay the loan in full within the period of time prescribed by the Secretary as authorized in this subchapter; (b) that the income of the applicant may be sufficiently increased within a period of not to exceed five years by improvement or enlargement of the farm or an adjustment of the farm practices or methods; and (c) that the applicant has adopted and may reasonably be expected to put into effect a plan of farm improvement, enlargement, or adjusted practices or production which, in the opinion of the Secretary, will increase the applicant's income from said farm within a period of not to exceed five years to the extent that the applicant may be expected thereafter to make annual repayments of principal and interest sufficient to repay the balance of the indebtedness less payments in cash and credits for the contributions to be made by the Secretary as hereinafter provided, the Secretary may make a loan in an amount necessary to provide adequate farm dwellings and buildings on said farm under the terms and conditions prescribed in section 1472 of this title. In addition, the Secretary may agree with the borrower to make annual contributions during the said five-year period in the form of credits on the borrower's indebtedness in an amount not to exceed the annual installment of interest and 50 per centum of the principal payments accruing during any installment year up to and including the fifth installment year, subject to the conditions that the borrower's income is, in fact, insufficient to enable the borrower to make payments in accordance with the plan or schedule prescribed by the Secretary and that the borrower pursues his plan of farm reorganization and improvements or enlargement with due diligence.

This agreement with respect to credits or principal and interest upon the borrower's indebtedness shall not be assignable nor accrue to the benefit of any third party without the written consent of the Secretary and the Secretary shall have the right, at his option, to cancel the agreement upon the sale of the farm or the execution or creation of any lien thereon subsequent to the lien given to the Secretary, or to refuse to release the lien given to the Secretary except upon payment in cash of the entire original principal plus accrued interest thereon less actual cash payments of principal and interest when the Secretary determines that the release of the lien would permit the benefits of this section to accrue to a person not eligible to receive such benefits (July 15, 1949, ch. 338, title V, § 503, 63 Stat. 434.)

CROSS REFERENCES

Assignments of claims void, see section 203 of Title 81, Money and Finance.

§ 1474. Special loans and grants for minor improvements; terms; loans for enlargement or development.

(a) In the event the Secretary determines that an eligible applicant cannot qualify for a loan under the provisions of sections 1472 and 1473 of this title and that repairs or improvements should be made to a farm dwelling occupied by him, in order to make such dwelling safe and sanitary and remove hazards to the health of the occupant, his family, or the community, and that repairs should be made to farm buildings in order to remove hazards and make such buildings safe, the Secretary may make a grant or a combined loan and grant, to the applicant to cover the cost of improvements or additions, such as repairing roofs, providing toilet facilities, providing a convenient and sanitary water supply, supplying screens, repairing or providing structural supports, or making other similar repairs or improvements. No assistance shall be extended to any one individual under this subsection in the form of a loan, grant, or combined loan and grant in excess of \$1,000. Any portion of the sums advanced to the borrower treated as a loan shall be secured and be repayable in accordance with the principles and conditions set forth in this subchapter. Sums made available by grant may be made subject to the conditions set out in this subchapter for the protection of the Government with respect to contributions made on loans by the Secretary.

(b) In order to encourage adequate family-size farms the Secretary may make loans under this section and section 1473 of this title to any applicant whose farm needs enlargement or development in order to provide income sufficient to support decent, safe, and sanitary housing and other farm buildings, and may use the funds made available under clause (b) of section 1483 of this title for such purposes. (July 15, 1949, ch. 338, title V, § 504, 63 Stat. 434; Sept. 28, 1962, Pub. L. 87-723, § 4(c) (3), 76 Stat. 672.)

AMENDMENTS

1962—Subsec. (a). Pub. L. 87-723 substituted "in the form of a loan, grant, or combined loan and grant in excess of \$1,000" for "(1) in the form of a loan, or combined loan and grant, in excess of \$1,000, or (2) in the form of a grant (whether or not combined with a loan) in excess of \$500."

§ 1475. Moratorium on loan payments.

During any time that any such loan is outstanding, the Secretary is authorized under regulations to be prescribed by him to grant a moratorium upon the payment of interest and principal on such loan for so long a period as he deems necessary, upon a showing by the borrower that due to circumstances beyond his control, he is unable to continue making payments of such principal and interest when due without unduly impairing his standard of living. In cases of extreme hardship under the foregoing circumstances, the Secretary is further authorized to cancel interest due and payable on such loans during the moratorium. Should any foreclosure of such a mortgage securing such a loan upon which a moratorium has been granted occur, no deficiency judgment shall be taken against the mortgagor if he shall have faithfully tried to meet his obligation. (July 15, 1949, ch. 338, title V, § 505, 63 Stat. 434.)

§ 1476. Buildings and repairs.

(a) Construction in accordance with plans and specifications; supervision and inspection; technical services and research.

In connection with financial assistance authorized in sections 1471—1474 and sections 1484—1486 of this title, the Secretary shall require that all new buildings and repairs financed under this subchapter shall be substantially constructed and in accordance with such building plans and specifications as may be required by the Secretary. Buildings and repairs constructed with funds advanced pursuant to this subchapter shall be supervised and inspected, as may be required by the Secretary, by competent employees of the Secretary. In addition to the financial assistance authorized in sections 1471—1474 and sections 1484—1486 of this title, the Secretary is authorized to furnish, through such agencies as he may determine, to any person, including a person eligible for financial assistance under this subchapter, without charge or at such charges as the Secretary may determine, technical services such as building plans, specifications, construction supervision and inspection, and advice and information regarding farm dwellings and other buildings.

(b) Research and technical studies for reduction of costs and adaption and development of fixtures and appurtenances.

The Secretary is further authorized to conduct research and technical studies including the development, demonstration, and promotion of construction of adequate farm dwellings and other buildings for the purpose of stimulating construction, improving the architectural design and utility of such dwellings and buildings, and utilizing new and native materials, economies in materials and construction methods, and new methods of production, distribution, assembly, and construction, with a view to reducing the cost of farm dwellings and buildings and adapting and developing fixtures and appurtenances for more efficient and economical farm use.

(c) Research, study, and analysis of farm housing.

The Secretary is further authorized to carry out a program of research, study, and analysis of farm housing in the United States to develop data and information on—

- (1) the adequacy of existing farm housing;
- (2) the nature and extent of current and prospective needs for farm housing, including needs for financing and for improved design, utility, and comfort, and the best methods of satisfying such needs;
- (3) problems faced by farmers and other persons eligible under section 1471 of this title in purchasing, constructing, improving, altering, repairing, and replacing farm housing;
- (4) the interrelation of farm housing problems and the problems of housing in urban and suburban areas; and
- (5) any other matters bearing upon the provision of adequate farm housing.

(d) Grants for research and study programs.

To the extent determined by him to be advisable, the Secretary may carry out the research and study programs authorized by subsections (b) and (c) of this section through grants made by him on

such terms, conditions, and standards as he may prescribe to land-grant colleges established pursuant to sections 301—308 of Title 7 or through such other agencies as he may select.

(e) Preparation and submission of estimates of housing needs.

The Secretary of Agriculture shall prepare and submit to the President and to the Congress estimates of national farm housing needs and reports with respect to the progress being made toward meeting such needs and correlate and recommend proposals for such executive action or legislation necessary or desirable for the furtherance of the national housing objective and policy established by this Act with respect to farm housing, together with such other reports or information as may be required of the Secretary by the President or the Congress. (July 15, 1949, ch. 338, title V, § 506, 63 Stat. 435; June 30, 1961, Pub. L. 87-70, title VIII, §§ 804(b)(1), 805(a), 75 Stat. 188; Sept. 28, 1962, Pub. L. 87-723, § 4(c)(2), 76 Stat. 672; Sept. 2, 1964, Pub. L. 88-560, title V, § 503(c), 78 Stat. 798.)

REFERENCES IN TEXT

"This Act", referred to in subsec. (e), refers to the Housing Act of 1949. For distribution of that Act in the Code see note set out under section 1441 of this title.

AMENDMENTS

1964—Subsec. (a). Pub. L. 88-560 inserted the reference to section 1486 of this title wherever appearing.

1962—Subsec. (a). Pub. L. 87-723 substituted "sections 1484 and 1485" for "section 1484", in two instances.

1961—Subsec. (a). Pub. L. 87-70, §§ 804(b)(1), 805(a)(1), inserted a reference to section 1484 of this title in two instances, and eliminated provisions which authorized the conduct of research and technical studies including the development, demonstration, and promotion of construction of adequate farm dwellings and other buildings for the purposes of stimulating construction, improving architectural design and utility, utilizing new and native materials, economies in materials and construction methods, and new methods of production, distribution, assembly, and construction, which provisions are now contained in subsec. (b) of this section.

Subsecs. (b)—(d). Pub. L. 87-70, § 805(a)(3), added subsecs. (b)—(d). Provisions of subsec. (b) were formerly contained in subsec. (a).

Subsec. (e). Pub. L. 87-70, § 805(a)(2), redesignated former subsec. (b) as (e).

FARM HOUSING RESEARCH BY LAND-GRANT COLLEGES

Pub. L. 85-104, title VI, § 603, July 12, 1957, 71 Stat. 304, as amended by Pub. L. 86-372, title VIII, § 803, Sept. 23, 1959, 73 Stat. 686, and Pub. L. 87-70, title VIII, § 805, June 30, 1961, 75 Stat. 188, authorized the Housing and Home Finance Administrator to make a farm housing study to be conducted by land-grant colleges through grants by the Administrator, set June 30, 1965, as the expiration date for authority to make grants therefor and authorized necessary appropriations. See section 1483 of this title.

§ 1477. Preferences for veterans and families of deceased servicemen.

As between eligible applicants seeking assistance under sections 1471—1474, inclusive, of this title, the Secretary shall give preference to veterans and the families of deceased servicemen. As used herein, a "veteran" shall mean a person who served in the military forces of the United States during any war between the United States and any other nation or during the period beginning June 27, 1950, and ending on such date as shall be determined by Presidential proclamation or concurrent resolution of Con-

gress and who was discharged or released therefrom on conditions other than dishonorable. "Deceased servicemen" shall mean persons who served in the military forces of the United States during any war between the United States and any other nation or during the period beginning June 27, 1950, and ending on such date as shall be determined by Presidential proclamation or concurrent resolution of Congress and who died in service before the termination of such war or such period. (July 15, 1949, ch. 338, title V, § 507, 63 Stat. 435; June 30, 1953, ch. 174, § 3, 67 Stat. 132; June 30, 1961, Pub. L. 87-70, title VIII, § 804(b)(2), 75 Stat. 188.)

AMENDMENTS

1961—Pub. L. 87-70 substituted "under sections 1471—1474, inclusive, of this title" for "under this subchapter."

1953—Act June 30, 1953, enlarged the definition of "veteran" and "deceased servicemen" to include members of the armed forces who have served during the Korean conflict.

PERIOD OF SERVICE IN MILITARY FORCES

Proc. No. 3080, Jan. 5, 1955, 20 F. R. 173, fixed Jan. 31, 1955, as the date ending the period during which persons must have served in the military forces in order that such persons come within the meaning of the terms "veteran" and "deceased servicemen", contained in this section, by reason of service during the period beginning June 27, 1950.

CONTINUATION OF PROVISIONS

Section 1 (a) (20) of Joint Res. July 3, 1952, ch. 570, 66 Stat. 332, as amended by Joint Res. Mar. 31, 1953, ch. 13, § 1, 67 Stat. 18, provided that qualification period should continue in force until six months after the termination of the national emergency proclaimed by the President on Dec. 16, 1950 by 1950 Proc. No. 2914, 15 F. R. 9029, set out as a note preceding section 1 of Appendix to Title 50, War and National Defense, or such earlier date or dates as may be provided for by Congress, but in no event beyond July 1, 1953. Section 7 of Joint Res. July 3, 1952, provided that it should become effective June 1, 1952.

REPEAL OF PRIOR ACTS CONTINUING SECTION

Section 6 of Joint Res. July 3, 1952, repealed Joint Res. Apr. 14, 1952, ch. 204, 66 Stat. 54 as amended by Joint Res. May 28, 1952, ch. 339, 66 Stat. 96; Joint Res. June 14, 1952, ch. 437, 66 Stat. 137; Joint Res. June 30, 1952, ch. 526, 66 Stat. 296, which continued provisions until July 3, 1952. This repeal took effect as of June 16, 1952, by section 7 of Joint Res. July 3, 1952.

§ 1478. Local committees to assist Secretary.

(a) Composition, appointment, and compensation; chairman; promulgation of procedural rules; forms and equipment.

For the purposes of this subsection and subsection (b) of this section, the Secretary may use the services of any existing committee of farmers operating (pursuant to laws or regulations carried out by the Department of Agriculture) in any county or parish in which activities are carried on under this subchapter. In any county or parish in which activities are carried on under this subchapter and in which no existing satisfactory committee is available, the Secretary is authorized to appoint a committee composed of three persons residing in the county or parish. Each member of such existing or newly appointed committee shall be allowed compensation at the rate determined by the Secretary while engaged in the performance of duties under this subchapter and, in addition, shall be allowed such amounts as the Secretary may prescribe for necessary traveling and subsistence expenses. One

member of the committee shall be designated by the Secretary as chairman. The Secretary shall prescribe rules governing the procedures of the committees, furnish forms and equipment necessary for the performance of their duties, and authorize and provide for the compensation of such clerical assistance as he deems may be required by any committee.

(b) Duties.

The committees utilized or appointed pursuant to this section shall examine applications of persons desiring to obtain the benefits of this subchapter and shall submit recommendations to the Secretary with respect to each applicant as to whether the applicant is eligible to receive the benefits of this subchapter, whether by reason of his character, ability, and experience, he is likely successfully to carry out undertakings required of him under a loan or grant under this subchapter, and whether the farm with respect to which the application is made is of such character that there is a reasonable likelihood that the making of the loan or grant requested will carry out the purposes of this subchapter. The committees shall also certify to the Secretary as to the amount of the loan or grant. The committees shall, in addition, perform such other duties under this subchapter as the Secretary may require. (July 15, 1949, ch. 338, title V, § 508, 63 Stat. 436; June 30, 1961, Pub. L. 87-70, title VIII, § 806, 75 Stat. 188.)

AMENDMENTS

1961—Subsec. (a). Pub. L. 87-70, § 806(a), substituted "at the rate determined by the Secretary" for "at the rate of \$5 per day."

Subsec. (b). Pub. L. 87-70, § 806(b), substituted "certify to the Secretary as to the amount of the loan or grant" for "certify to the Secretary their opinions of the reasonable values of the farms."

§ 1479. General powers of Secretary.

(a) The Secretary, for the purposes of this subchapter, shall have the power to determine and prescribe the standards of adequate farm housing and other buildings, by farms or localities, taking into consideration, among other factors, the type of housing which will provide decent, safe, and sanitary dwelling for the needs of the family using the housing, the type and character of the farming operations to be conducted, and the size and earning capacity of the land.

(b) The Secretary may require any recipient of a loan or grant to agree that the availability of improvements constructed or repaired with the proceeds of the loan or grant under this subchapter shall not be a justification for directly or indirectly changing the terms or conditions of the lease or occupancy agreement with the occupants of such farms to the latter's disadvantage without the approval of the Secretary. (July 15, 1949, ch. 338, title V, § 509, 63 Stat. 436.)

§ 1480. Administrative powers of Secretary.

In carrying out the provisions of this subchapter the Secretary shall have the power to—

(a) Service and supply contracts.

make contracts for services and supplies without regard to the provisions of section 5 of Title 41, when the aggregate amount involved is less than \$300;

(b) Subordination, subrogation, and other agreements.
enter into subordination, subrogation, or other agreements satisfactory to the Secretary;

(c) Compromise of claims and obligations.

compromise claims and obligations arising out of sections 1472—1475 of this title and adjust and modify the terms of mortgages, leases, contracts, and agreements entered into as circumstances may require, including the release from personal liability, without payments of further consideration, of—

(1) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume the outstanding indebtedness to the Secretary under this subchapter; and

(2) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume that portion of the outstanding indebtedness to the Secretary under this subchapter which is equal to the earning capacity value of the farm at the time of the transfer, and borrowers whose farms have been acquired by the Secretary, in cases where the Secretary determines that the original borrowers have cooperated in good faith with the Secretary, have farmed in a workmanlike manner, used due diligence to maintain the security against loss, and otherwise fulfilled the covenants incident to their loans, to the best of their abilities;

(d) Collection of claims and obligations.

collect all claims and obligations arising out of or under any mortgage, lease, contract, or agreement entered into pursuant to this subchapter and, if in his judgment necessary and advisable, to pursue the same to final collection in any court having jurisdiction: *Provided*, That the prosecution and defense of all litigation under this subchapter shall be conducted under the supervision of the Attorney General and the legal representation shall be by the United States attorneys for the districts, respectively, in which such litigation may arise and by such other attorney or attorneys as may, under law, be designated by the Attorney General;

(e) Purchase of pledged or mortgaged property at foreclosure or other sales; operation, sale or disposition of said property.

bid for and purchase at any foreclosure or other sale or otherwise to acquire the property pledged or mortgaged to secure a loan or other indebtedness owing under this subchapter, to accept title to any property so purchased or acquired, to operate or lease such property for such period as may be necessary or advisable, to protect the interest of the United States therein and to sell or otherwise dispose of the property so purchased or acquired by such terms and for such considerations as the Secretary shall determine to be reasonable and to make loans as provided herein to provide adequate farm dwellings and buildings for the purchasers of such property;

(f) Utilization of indebtedness.

utilize with respect to the indebtedness arising from loans and payments made under this subchapter, all the powers and authorities given to him under sections 1150—1150b of Title 12;

(g) Rules and regulations.

make such rules and regulations as he deems necessary to carry out the purposes of this subchapter. (July 15, 1949, ch. 338, title V, § 510, 63 Stat. 436.)

§ 1481. Issuance of notes and obligations for loan funds; amount; limitation; security; form and denomination; interest; purchase and sale by Treasury; public debt transaction.

The Secretary may issue notes and other obligations for purchase by the Secretary of the Treasury for the purpose of making loans under this subchapter (other than loans under section 1474(b) or 1485 of this title). The total principal amount of such notes and obligations issued pursuant to this section during the period beginning July 1, 1956, and ending September 30, 1965, shall not exceed \$850,000,000, of which \$50,000,000 shall be available exclusively for assistance to elderly persons as provided in clause (3) of section 1471(a) of this title. The notes and obligations issued by the Secretary shall be secured by the obligations of borrowers and the Secretary's commitments to make contributions under this subchapter and shall be repaid from the payment of principal and interest on the obligations of the borrowers and from funds appropriated hereunder. The notes and other obligations issued by the Secretary shall be in such forms and denominations, shall have such maturities, and shall be subject to such terms and conditions as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes or obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the notes or obligations by the Secretary. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Secretary issued hereunder and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act are extended to include any purchases of such obligations. The Secretary of the Treasury may at any time sell any of the notes or obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or obligations shall be treated as public debt transactions of the United States. (July 15, 1949, ch. 338, title V, § 511, 63 Stat. 437; July 14, 1952, ch. 723, § 11 (a), 66 Stat. 604; June 29, 1954, ch. 410, § 5 (a), 68 Stat. 320; Aug. 2, 1954, ch. 649, title VIII, § 812 (a), 68 Stat. 647; Aug. 11, 1955, ch. 783, title V, § 501 (1), 69 Stat. 654; Aug. 7, 1956, ch. 1029, title VI, § 606(a), 70 Stat. 1114; June 30, 1961, Pub. L. 87-70, title VIII, §§ 801(c), 802, 75 Stat. 186; Sept. 28, 1962, Pub. L. 87-723, § 4(c) (1), 76 Stat. 672; Sept. 2, 1964, Pub. L. 88-560, title V, § 501(a), 78 Stat. 796.)

REFERENCES IN TEXT

The Second Liberty Bond Act, as amended, referred to in subsection (f), is classified to sections 745, 752-754b, 757, 757b-758, 760, 764-766, 769, 771, 773, 774 and 801 of Title 31, Money and Finance.

Such Act, as amended, referred to in subsection (f), refers to the Second Liberty Bond Act.

AMENDMENTS

1964—Pub. L. 88-560 substituted "September 30, 1965" for "June 30, 1965", and "\$850,000,000" for "\$700,000,000."

1962—Pub. L. 87-723 substituted "1474(b) or 1485" for "1474(b)" and "\$700,000,000, of which \$50,000,000 shall be available exclusively for assistance to elderly persons as provided in clause (3) of section 1471(a) of this title" for "\$650,000,000."

1961—Pub. L. 87-70 substituted "June 30, 1965" for "June 30, 1961", and "\$650,000,000" for "\$450,000,000."

1956—Act Aug. 7, 1956, authorized \$450,000,000 for loans for the period beginning July 1, 1956, and ending June 30, 1961.

1955—Act Aug. 11, 1955, authorized an additional \$100,000,000 on and after July 1, 1955.

1954—Act Aug. 2, 1954, substituted "\$100,000,000" for the authorization of \$8,500,000 (on and after July 1, 1954) which had been inserted by Act June 29, 1954.

Act June 29, 1954, authorized an additional \$8,500,000 on and after July 1, 1954.

1952—Act July 14, 1952, authorized an additional \$100,000,000 for fiscal year 1954.

EFFECTIVE DATE OF 1956 AMENDMENT

Section 606 (d) of act Aug. 7, 1956, provided that amendment of this section and sections 1482 and 1483 of this title should take effect as of July 1, 1956.

§ 1482. Contribution commitments.

In connection with loans made pursuant to section 1473 of this title, the Secretary is authorized to make commitments for contributions aggregating not to exceed \$10,000,000 during the period beginning July 1, 1956, and ending September 30, 1965. (July 15, 1949, ch. 338, title V, § 512, 63 Stat. 438; July 14, 1952, ch. 723, § 11(b), 66 Stat. 604; June 29, 1954, ch. 410, § 5 (b), 68 Stat. 320; Aug. 2, 1954, ch. 649, title VIII, § 812 (b), 68 Stat. 647; Aug. 11, 1955, ch. 783, title V, § 501 (2), 69 Stat. 654; Aug. 7, 1956, ch. 1029, title VI, § 606(b), 70 Stat. 1114; June 30, 1961, Pub. L. 87-70, title VIII, § 801(c), 75 Stat. 186; Sept. 4, 1964, Pub. L. 88-560, title V, § 501(b), 78 Stat. 796.)

AMENDMENTS

1964—Pub. L. 88-560 substituted "September 30, 1965" for "June 30, 1965."

1961—Pub. L. 87-70 substituted "June 30, 1965" for "June 30, 1961."

1956—Act Aug. 7, 1956, authorized commitments for contributions not to exceed \$10,000,000 from July 1, 1956, to June 30, 1961.

1955—Act Aug. 11, 1955, authorized an additional \$2,000,000, on and after July 1, 1955.

1954—Act Aug. 2, 1954, substituted \$2,000,000 for the authorization of \$170,000 (available July 1, 1954) which had been inserted by act June 29, 1954.

Act June 29, 1954, provided an additional authorization available July 1, 1954.

1952—Act July 14, 1952, provided an additional authorization available July 1, 1953.

EFFECTIVE DATE OF 1956 AMENDMENT

Amendment of this section effective as of July 1, 1956, see note set out under section 1481 of this title.

§ 1483. Appropriations.

There is authorized to be appropriated to the Secretary (a) such sums as may be necessary to meet payments on notes or other obligations issued by the Secretary under section 1481 of this title equal to (i) the aggregate of the contributions made by the Secretary in the form of credits on principal due on loans made pursuant to section 1473 of this title, and (ii) the interest due on a similar sum represented by notes or other obligations issued by the Secretary; (b) not to exceed \$50,000,000 for grants pursuant to section 1474 (a) of this title and loans pursuant to section 1474 (b) of this title dur-

ing the period beginning July 1, 1956, and ending September 30, 1965; (c) not to exceed \$10,000,000 for financial assistance pursuant to section 1486 of this title for the period ending September 30, 1965; (d) not to exceed \$250,000 per year for research and study programs pursuant to subsections (b), (c), and (d) of section 1476 of this title during the period beginning July 1, 1961, and ending September 30, 1965; and (e) such further sums as may be necessary to enable the Secretary to carry out the provisions of this subchapter. (July 15, 1949, ch. 338, title V, § 513, 63 Stat. 438; July 14, 1952, ch. 723, § 11(c), 66 Stat. 604; June 29, 1954, ch. 410, § 5(c), 68 Stat. 320; Aug. 2, 1954, ch. 649, title VIII, § 812 (c), 68 Stat. 647; Aug. 11, 1955, ch. 783, title V, § 501 (c), 69 Stat. 654; Aug. 7, 1956, ch. 1029, title VI, § 606(c), 70 Stat. 1115; June 30, 1961, Pub. L. 87-70, title VIII, §§ 801(c), 805(b), 75 Stat. 186, 188; Sept. 2, 1964, Pub. L. 88-560, title V, §§ 501(c), 503(b), 78 Stat. 796, 798.)

AMENDMENTS

1964—Pub. L. 88-560 substituted "September 30, 1965" for "June 30, 1965" wherever appearing, redesignated clauses (c) and (d) as (d) and (e), and added clause (c).

1961—Pub. L. 87-70 extended the period for grants and loans pursuant to section 1474 (a), (b) of this title from June 30, 1961, to June 30, 1965, and authorized appropriations of not more than \$250,000 per year for research and study programs pursuant to subsections (b), (c), and (d) of section 1476 of this title for the period beginning July 1, 1961, and ending June 30, 1965.

1956—Act Aug. 7, 1956, authorized \$50,000,000 for grants and loans from July 1, 1956, to June 30, 1961.

1955—Act Aug. 11, 1955, authorized an additional \$10,000,000 on July 1, 1955.

1954—Act Aug. 2, 1954, substituted \$10,000,000 for the authorization of \$850,000 (available July 1, 1954) which had been authorized by act June 29, 1954.

Act June 29, 1954, authorized an appropriation of \$850,000 to be available on July 1, 1954.

1952—Act July 14, 1952, authorized an appropriation of \$10,000,000 to be available on July 1, 1953.

EFFECTIVE DATE OF 1956 AMENDMENT

Amendment of this section effective July 1, 1956, see note set out under section 1481 of this title.

§ 1484. Insurance of loans for housing and related facilities for domestic farm labor.

(a) Authorization; terms and conditions.

The Secretary is authorized to insure and make commitments to insure loans made by lenders other than the United States to the owner of any farm, any association of farmers, any State or political subdivision thereof, or any public or private non-profit organization for the purpose of providing housing and related facilities for domestic farm labor in accordance with terms and conditions substantially identical with those specified in section 1472 of this title; except that—

(1) no such loan shall be insured in an amount in excess of the value of the farm involved less any prior liens in the case of a loan to an individual owner of a farm, or the total estimated value of the structures and facilities with respect to which the loan is made in the case of any other loan;

(2) no such loan shall be insured if it bears interest at a rate in excess of 5 per centum per annum;

(3) out of interest payments by the borrower the Secretary shall retain a charge in an amount not less than one-half of 1 per centum per annum of the unpaid principal balance of the loan;

(4) the insurance contracts and agreements with respect to any loan may contain provisions for servicing the loan by the Secretary or by the lender, and for the purchase by the Secretary of the loan if it is not in default, on such terms and conditions as the Secretary may prescribe; and

(5) the Secretary may take mortgages creating a lien running to the United States for the benefit of the insurance fund referred to in subsection (b) of this section notwithstanding the fact that the note may be held by the lender or his assignee.

(b) Utilization of farm tenant mortgage insurance fund; additions to and deposits in fund; deposits in Treasury.

The Secretary shall utilize the insurance fund created by section 1005a of Title 7 and the provisions of section 1005c (a), (b), and (c) of Title 7 to discharge obligations under insurance contracts made pursuant to this section, and

(1) the Secretary may utilize the insurance fund to pay taxes, insurance, prior liens, and other expenses to protect the security for loans which have been insured hereunder and to acquire such security property at foreclosure sale or otherwise;

(2) the notes and security therefor acquired by the Secretary under insurance contracts made pursuant to this section shall become a part of the insurance fund. Loans insured under this section may be held in the fund and collected in accordance with their terms or may be sold and reinsured. All proceeds from such collections, including the liquidation of security and the proceeds of sales, shall become a part of the insurance fund; and

(3) of the charges retained by the Secretary out of interest payments by the borrower, amounts not less than one-half of 1 per centum per annum of the unpaid principal balance of the loan shall be deposited in and become a part of the insurance fund. The remainder of such charges shall be deposited in the Treasury of the United States and shall be available for administrative expenses of the Farmers Home Administration, to be transferred annually to and become merged with any appropriation for such expenses.

(c) Insurance contract; obligation of the United States; incontestability.

Any contract of insurance executed by the Secretary under this section shall be an obligation of the United States and incontestable except for fraud or misrepresentation of which the holder of the contract has actual knowledge.

(d) Maximum obligations.

The aggregate amount of the principal obligations of the loans insured under this section shall not exceed \$25,000,000 in any one fiscal year.

(e) Administrative expenses.

Amounts made available pursuant to section 1483 of this title of this Act shall be available for administrative expenses incurred under this section.

(f) Definitions.

As used in this section—

(1) the term "housing" means (A) new structures suitable for dwelling use by domestic farm labor, and (B) existing structures which can be made suitable for dwelling use by domestic farm labor by rehabilitation, alteration, conversion, or improvement; and

(2) the term "related facilities" means (A) new structures suitable for use as dining halls, community rooms or buildings, or infirmaries, or for other essential services facilities, and (B) existing structures which can be made suitable for the above uses by rehabilitation, alteration, conversion, or improvement; and

(3) the term "domestic farm labor" means persons who receive a substantial portion (as determined by the Secretary) of their income as laborers on farms situated in the United States and either (A) are citizens of the United States or (B) reside in the United States after being legally admitted for permanent residence therein.

(July 15, 1949, ch. 338, title V, § 514, as added June 30, 1961, Pub. L. 87-70, title VIII, § 804(a), 75 Stat. 186, and amended Sept. 2, 1964, Pub. L. 88-560, title V, § 502, 78 Stat. 796.)

REFERENCES IN TEXT

Section 1005a of title 7 and section 1005c (a), (b), and (c) of title 7, referred to in subsec. (b), were repealed by section 341(a) of Pub. L. 87-128, title III, Aug. 8, 1961, 75 Stat. 318 (set out as a note under section 1921 of Title 7, Agriculture), which also provides that references in other laws to the Bankhead-Jones Farm Tenant Act shall be construed as referring to appropriate provisions of chapter 50 of title 7. See chapter 50 and particularly section 1929 of title 7.

AMENDMENTS

1964—Subsec. (f)(3). Pub. L. 88-560 included residents of the United States after being legally admitted for permanent residence.

CROSS REFERENCES

Agricultural Credit Insurance Fund as designation for farm tenant insurance fund, see section 1929 of Title 7, Agriculture.

§ 1485. Housing and related facilities for elderly persons and families.

(a) Direct loans; authorization; terms and conditions; revolving fund; appropriation.

The Secretary is authorized to make loans to private nonprofit corporations and consumer cooperatives to provide rental housing and related facilities for elderly persons and elderly families of low or moderate income in rural areas, in accordance with terms and conditions substantially identical with those specified in section 1472 of this title; except that—

(1) no such loan shall exceed the development cost or the value of the security, whichever is less;

(2) such loans shall bear interest at rates determined by the Secretary, not to exceed the maximum rate provided in section 1701q(a)(3) of Title 12; and

(3) such a loan may be made for a period of up to fifty years from the making of the loan.

There is authorized to be appropriated not to exceed \$50,000,000, which shall constitute a revolving

fund to be used by the Secretary in carrying out this subsection.

(b) Insurance of loans; authorization; terms and conditions; utilization of Agricultural Credit Insurance Fund expiration date.

The Secretary is authorized to insure and make commitments to insure loans made to any individual, corporation, association, trust, or partnership to provide rental housing and related facilities for elderly persons and elderly families in rural areas, in accordance with terms and conditions substantially identical with those specified in section 1472 of this title; except that—

(1) no such loan shall exceed \$300,000 or the development cost or the value of the security, whichever is least;

(2) such loans shall bear interest at rates determined by the Secretary, not to exceed the maximum rate provided in section 1709(b)(5) of Title 12;

(3) provide for complete amortization by periodic payments within such term as the Secretary may prescribe;

(4) for insuring such loans, the Secretary shall utilize the Agricultural Credit Insurance Fund subject to all the provisions of section 1929 of Title 7 and the second and third sentences of section 1928 of Title 7, including the authority in section 1929(f)(1) of Title 7 to utilize the insurance fund to make, sell, and insure loans which could be insured under this subsection; but the aggregate of the principal amounts of such loans made by the Secretary and not disposed of shall not exceed \$10,000,000 outstanding at any one time; and the Secretary may take liens running to the United States though the notes may be held by other lenders; and

(5) no loan shall be insured under this subsection after September 30, 1965.

(c) Construction requirements.

No loan shall be made or insured under subsection (a) or (b) of this section unless the Secretary finds that the construction involved will be undertaken in an economical manner and will not be of elaborate or extravagant design or materials.

(d) Definitions.

As used in this section—

(1) the term "housing" means new or existing housing suitable for dwelling use by elderly persons or elderly families;

(2) the term "related facilities" includes cafeterias or dining halls, community rooms or buildings, appropriate recreation facilities, and other essential service facilities;

(3) the term "elderly persons" means persons who are 62 years of age or over; and the term "elderly families" means families the head of which (or his spouse) is 62 years of age or over; and

(4) the term "development cost" means the cost of constructing, purchasing, improving, altering, or repairing new or existing housing and related facilities and purchasing and improving the necessary land, including necessary and appropriate fees and charges approved by the Secretary.

(e) Administrative expenses.

Amounts made available pursuant to section 1483 of this title shall be available for administrative expenses incurred under this section. (July 15, 1949, ch. 338, title V, § 515, as added Sept. 28, 1962, Pub. L. 87-723, § 4(b), 76 Stat. 671, and amended June 30, 1964, Pub. L. 88-340, 78 Stat. 233; Sept. 2, 1964, Pub. L. 88-560, title V, § 501(d), 78 Stat. 796.)

AMENDMENTS

1964—Subsec. (b). Pub. L. 88-560 substituted "\$300,000" for "\$100,000" in cl. (1), and "1965" for "1964" in cl. (5).

Subsec. (b) (5). Pub. L. 88-340 substituted "September 30, 1964" for "June 30, 1964."

§ 1486. Financial assistance to provide low-rent housing for domestic farm labor.**(a) Application; considerations.**

Upon the application of any State or political subdivision thereof, or any public or private non-profit organization, the Secretary is authorized to provide financial assistance for the provision of low-rent housing and related facilities for domestic farm labor, if he finds that—

(1) the housing and related facilities for which financial assistance is requested will fulfill a pressing need in the area in which such housing and facilities will be located, and there is reasonable doubt that the same can be provided without financial assistance under this section;

(2) the applicant will contribute, from its own resources or from funds borrowed under section 1484 of this title or elsewhere, at least one-third of the total development cost;

(3) the types of housing and related facilities to be provided are most practical, giving due consideration to the purposes to be served thereby and the needs of the occupants thereof; and

(4) the construction will be undertaken in an economical manner, and the housing and related facilities will not be of elaborate or extravagant design or material.

(b) Maximum amount of assistance.

The amount of any financial assistance provided under this section for low-rent housing and related facilities shall not exceed two-thirds of the total development cost thereof, as determined by the Secretary, less such amount as the Secretary determines can be practicably obtained from other sources (including a loan under section 1484 of this title).

(c) Prerequisite agreements; rentals; safety and sanitation standards; priority of domestic farm labor.

No financial assistance for low-rent housing and related facilities shall be made available under this section unless, to any extent and for any periods required by the Secretary, the applicant agrees—

(1) that the rentals charged domestic farm labor shall not exceed such amounts as may be approved by the Secretary, giving due consideration to the income and earning capacity of the tenants, and the necessary costs of operating and maintaining such housing;

(2) that such housing shall be maintained at all times in a safe and sanitary condition in accordance with such standards as may be prescribed by State or local law, or, in the absence

of such standards, in accordance with such minimum requirements as the Secretary shall prescribe; and

(3) an absolute priority will be given at all times in granting occupancy of such housing and facilities to domestic farm labor.

(d) Payments; contracts to specify uses of housing.

The Secretary may make payments pursuant to any contract for financial assistance under this section at such times and in such manner, as may be specified in the contract. In each contract, the Secretary shall include such covenants, conditions, or provisions as he deems necessary to insure that the housing and related facilities, for which financial assistance is made available, be used only in conformity with the provisions of this section.

(e) Regulations for prevention of waste.

The Secretary shall prescribe regulations to insure that Federal funds expended under this section are not wasted or dissipated.

(f) Wages; labor standards; waiver; authority and functions of Secretary.

All laborers and mechanics employed by contractors or subcontractors on projects assisted by the Secretary which are undertaken by approved applicants under this section shall be paid wages at rates not less than those prevailing on similar construction in the locality, as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended. The Secretary shall not extend any financial assistance under this section for any project without first obtaining adequate assurance that these labor standards will be maintained on the construction work; except that compliance with such standards may be waived by the Secretary in cases or classes of cases where laborers or mechanics, not otherwise employed at any time on the project, voluntarily donate their services without compensation for the purpose of lowering the costs of construction and the Secretary determines that any amounts thereby saved are fully credited to the person, corporation, association, organization, or other entity, undertaking the project. The Secretary of Labor shall have, with respect to the labor standards specified in this section, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950, and section 276c of title 40.

(g) Definitions.

As used in this section—

(1) the term "low-rent housing" means rental housing within the financial reach of families of low income consisting of (A) new structures suitable for dwelling use by domestic farm labor, and (B) existing structures which can be made suitable for dwelling use by domestic farm labor by rehabilitation, alteration, conversion, or improvement;

(2) the terms "related facilities" and "domestic farm labor" shall have the meaning assigned to them in section 1484(f) of this title; and

(3) the term "development cost" shall have the meaning assigned to it in section 1485(d) (4) of this title.

(July 15, 1949, ch. 338, title V, § 516, as added Sept. 2, 1964, Pub. L. 88-560, title V, § 503(a), 78 Stat. 797.)

REFERENCES IN TEXT

The Davis-Bacon Act, as amended, referred to in subsec. (f), is classified to sections 276a to 276a-5 of Title 40, Public Buildings, Property, and Works.

Chapter 8B.—PUBLIC WORKS OR FACILITIES

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§ 1491. Declaration of policy.

It has been the policy of the Congress to assist wherever possible the States and their political subdivisions, and Indian tribes to provide the services and facilities essential to the health and welfare of the people of the United States.

The Congress finds that in many instances municipalities, or other political subdivisions of States, and Indian tribes, which seek to provide essential public works or facilities (including mass transportation facilities and equipment), are unable to raise the necessary funds at reasonable interest rates.

It is the purpose of this chapter (subject to the limitations contained herein) to authorize the extension of credit to assist in the provision of certain essential public works or facilities by States, municipalities, or other political subdivisions of States, and Indian tribes, where such credit is not otherwise available on reasonable terms and conditions. (Aug. 11, 1955, ch. 783, title II, § 201, 69 Stat. 642; June 30, 1961, Pub. L. 87-70, title V, § 501(a), 75 Stat. 173; Oct. 15, 1962, Pub. L. 87-808, § 1, 76 Stat. 920.)

AMENDMENTS

1962—Pub. L. 87-808 inserted "and Indian tribes" in three places.

1961—Pub. L. 87-70 inserted phrases "(including mass transportation facilities and equipment)" in the second paragraph, and "(subject to the limitations contained herein)" in the third paragraph.

§ 1492. Public projects.

(a) Purchase of securities or obligations; loans; payment of operating expenses.

The Housing and Home Finance Administrator is authorized (1) to purchase the securities and obligations of, or make loans to, municipalities and other political subdivisions and instrumentalities of one or more States (including public agencies and public works or facilities under State, municipal, or other political subdivisions of one or more States), and Indian tribes to finance specific projects for pub-

lic works or facilities under State, municipal, or other applicable law, and (2) to purchase the securities and obligations of, or make loans to, States, municipalities and other political subdivisions of States, public agencies and instrumentalities of one or more States, municipalities and political subdivisions of States, and public corporations, boards, and commissions established under the laws of any State, to finance the acquisition, construction, reconstruction, and improvement of facilities and equipment for use, by operation or lease or otherwise, in mass transportation service in urban areas, and for use in coordinating highway, bus, surface-rail, underground, parking and other transportation facilities in such areas. The facilities and equipment referred to in clause (2) may include land, but not public highways, and any other real or personal property needed for an economic efficient, and coordinated mass transportation system. No such purchase or loan shall be made for payment of ordinary governmental or non-project operating expenses.

(b) Restrictions and limitations; interest.

The powers granted in subsection (a) of this section shall be subject to the following restrictions and limitations:

(1) No financial assistance shall be extended under this section unless the financial assistance applied for is not otherwise available on reasonable terms, and all securities and obligations purchased and all loans made under this section shall be of such sound value or so secured as reasonably to assure retirement or repayment, and such loans may be made either directly or in cooperation with banks or other lending institutions through agreements to participate or by the purchase of participations or otherwise.

(2) No securities or obligations shall be purchased, and no loans shall be made, including renewals or extensions thereof, which have maturity dates in excess of forty years. Subject to such maximum maturity, the Administrator in his discretion may provide for the postponement of the payment of interest on not more than 50 per centum of any financial assistance extended to an applicant under this section for a period up to ten years where (A) such assistance does not exceed 50 per centum of the development cost of the project involved, and (B) it is determined by the Administrator that such applicant will experience above-average population growth and the project would contribute to orderly community development, economy, and efficiency; and any amounts so postponed shall be payable with interest in annual installments during the remaining maturity of such assistance.

(3) Financial assistance extended under this section shall bear interest at a rate determined by the Administrator which shall be not more than the higher of (A) 3 per centum per annum, or (B) the total of one-half of 1 per centum per annum added to the rate of interest paid by the Administrator on funds obtained from the Secretary of the Treasury as provided in section 1493(a) of this title.

(A) (4) No financial assistance shall be extended under clause (1) of subsection (a) of this section